

## Employers face stiffer penalties if they pay too much

Employers who break the proposed 5 p pay limit may be punished even more severely than the Government has indicated so far, the Chancellor of the Exchequer disclosed in the Commons last night. He did not say what the higher penalties might be.

Sir Geoffrey Howe, for the Opposition, made clear that the counter-inflation legislation is in for a long and tough committee stage. The Government's refusal to publish the reserve powers Bill casts grave doubt on its will to fight inflation, he said.

## Mr Foot pleads with left

Hugh Noyes  
Parliamentary Correspondent

Mr Healey, Chancellor of the Exchequer, disclosed last night the Commons that the Government is considering even more severe penalties than those announced against employers to break the 5 p pay limit after August 1.

Opening the second reading debate on the Remuneration, Wages and Grants Bill, which gives the Government powers of support of its counter-inflation policy, the Chancellor urged private industry that it should make an excessive payment need not be limited by the penalties allowed in the Bill. The Bill would allow not only the excessive part of any settlement but the whole of the increase in pay to be ignored when the company's application for a price increase is considered.

Mr Healey gave no indication of what the severer penalties might be. Indeed, his main concern seemed to be to soothe the ruffled feelings of Labour's wing, which considers, with some justification, that a Bill giving powers to enforce an

incomes policy implies statutory controls.

The Chancellor, in a splendid outburst of semantics, explained that the Bill did not impose legal controls on pay "as such". He did not believe they could continue with the 5 p limit beyond the 12 months, and he envisaged returning to the TUC and the CBI to work out new rules that would continue into 1977.

Leading for the Opposition, Sir Geoffrey Howe, QC, shadow Chancellor, made clear that, whether or not the Conservative amendment declining a second reading of the Bill was carried, the Tories would try to change the legislation in many ways during its committee stage, which would be long and tough. If the reserve powers Bill was not published they would consider voting against the third reading.

The Opposition welcomed the attack on inflation, and was not disposed to deny the Government the means of succeeding in it. But it would not have chosen to act that way. It declined to approve the means because they did unnecessary damage to the rule of law, and because it was an affront to Parliament not to produce the secret powers Bill.

The heart of the matter was the undisclosed Bill. Sir Geoffrey said. The Government had prepared legislation: how could it justify not disclosing it to the Commons? Its behaviour cast grave doubt on its will and determination to fight inflation.

As the debate closed Mr Foot, Secretary of State for Employment, made an impassioned plea to the Labour left, urging them to close ranks in the face of their common enemy on the other side of the House.

If the Bill was defeated, he shouted, as the debate drew to a rowdy end, the Government would not be able to carry out the agreement made with the TUC on a policy to defeat inflation.

The Conservative amendment was defeated by 320 votes to 260. The Bill was given a second reading by 294 votes to 16. A government majority of 278, after the Scottish nationalists, with support from other quarters, forced a division. The Conservatives abstained.

TUC backs strikes, page 2  
Parliamentary report, page 4  
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## Mr Whitelaw supports anti-inflation moves

Our Political Staff  
Strong support for Labour's anti-inflation measures, provided the Government was resolute in carrying through its aims, was expressed yesterday by Mr Whitelaw, deputy leader of the Conservative Party.

His speech, at a Scottish Conservative fête followed that Mr Heath in the Commons Tuesday during the debate on the Anti-inflation White Paper. The Government would pursue the incomes policy set out in the White Paper, he said, which was widely claimed.

Mr Whitelaw said that for the time the Conservatives were pressing the Government to take action in order to curb the disastrous rate of inflation.

"We have constantly stressed that the longer they delayed the harsher the action they would have to take," he said last night in the House of Commons. "We expressed our reservations on the proposals at they have put forward. We do not believe that in themselves they will be sufficient. I am having expressed our reservations, I believe, we must give our strong support to the Government, provided they are resolute in carrying through their plans."

It was essential, he said, in the long interest, that the Government should curb inflation before it destroyed our society and our democratic form of government, as it certainly could if allowed to continue unchecked, as at present.

The Government's measures, which have been passed with the authority of the House of Com-

mons, let those who are thinking of defying the Government's pay limit appreciate that they will receive neither comfort nor encouragement from the Conservative Opposition, quite the reverse.

"Unlike Mr Wilson and the Labour Party in opposition, we shall not support in any way those who are bent on destroying the Government's measures. We shall continue to press the Government for the further cuts which we believe to be necessary. But in the meantime the Government and the Conservative Party are utterly determined to play its full part as an opposition in the fight against inflation which this nation now has to win."

Mr Heath's reasons: Mr Heath explained the reasons for his White Paper, but had abstained himself because he was not going to lead a revolt against the party leadership.

"Basically we must get agreement in the Commons about a common policy to deal with the economic crisis," Mr Heath said. "That does not mean the coalition. It means that you can get agreement on a policy between the three major parties. It has been done before on other matters like defence and foreign policy."

Many people who played a part in the EEC referendum campaign were in a state of having to deal about the economic crisis. He wanted to mobilise those people.

## 22pc rise for 460,000 teachers

By Tim Devlin  
Education Correspondent  
Schoolteachers in England and Wales have won a 22.3 per cent pay increase back-dated to April 1 as a result of going to arbitration. It will add £12m to the present teachers' salary bill of £1,550m a year.

The award for 460,000 primary and secondary schoolteachers was announced by Mr Mulley, Secretary of State for Education and Science, in a parliamentary written reply yesterday.

He said that as the pay settlement had been referred to arbitration last May it would not be subject to the Government's new 5 p a week limit.

The award will bring the highest-paid head teachers of the largest secondary schools close to £10,000 a year. It will give starting teachers the highest percentage increase of all; almost £12 a week extra (excluding thresholds) and bringing their salaries to £2,253 a year.

The teachers had asked for a 26 per cent increase, which would have cost between £240m and £250m.

The award was welcomed by Mr Fred Jarvis, general secretary of the National Union of Teachers, said: "The decision of the arbitrators fully vindicates the decision to go to arbitration."

Mr Terence Casey, general secretary of the National Association of Schoolmasters, said: "It looks as if the arbitrators have done their best to compensate middle range career teachers."

New scales, page 2

## Mr Prentice beaten in constituency challenge

Mr Prentice, Minister for Overseas Development, last night lost his fight to prevent his constituency party at Newham, North-east, from dropping him as their MP. But in Deptford another Cabinet minister, Mr John Silkin, Minister for Planning and Local Government, beat off constituency moves to get him out of the Cabinet.

A Lewisham councillor's wife last night foiled an attempt by her husband to remove Mr Silkin from the Cabinet. Afterwards the councillor, Mr James Wheeler, said: "I didn't know she was going to do this."

Mr Wheeler was behind the move within Deptford Labour Party to force the hand of its MP. But at last night's monthly meeting, at which Mr Silkin appeared to present his report, Mrs Wheeler managed to soften her husband's resolution, which called for Mr Silkin's report not to be accepted and said he should resign from the Cabinet.

After Mr Wheeler had moved it his wife stood up and proposed an amendment deleting the reference to Mr Silkin's resignation. Eventually, a motion not to accept the report was defeated by 12 votes to 13 votes, with 15 abstentions.

Mr Wheeler said his wife had argued that Mr Silkin should have a free hand in view of the fact that one minister had already resigned and another, Mr Foot, had hinted that he would do the same. He added: "The position now is that Mr Silkin knows our views."

Mr Wheeler had said earlier that the whole Cabinet should resign because they had contravened pledges for which party supporters had worked.

Mr Silkin said after the meeting: "The resolution was very graciously withdrawn. I am a happy man. I am always a happy man. I am the happiest man in London."

A crowd of about a hundred gathered outside the Newham Labour Party headquarters last night as a two-hour meeting to decide Mr Prentice's fate went on behind locked doors guarded by police.

Councillor John Wilson, who proposed the motion to unseat him, arrived 20 minutes before the meeting. Mr Prentice arrived 10 minutes later and made his way through a jostling crowd and a police cordon to the door. He said before going in: "I hope there will be a full discussion and people will listen to the arguments on both sides and make a fair decision."



Mr Prentice, Minister for Overseas Development, at home yesterday before his "trial" by Newham, North-east, Labour Party.

## 12 are killed as fire breaks out on French Mediterranean ferry

Toulon, July 23.—At least 12 people died and eight were seriously burnt today when fire engulfed a ferry boat carrying more than 200 people from Toulon to an island resort in the Mediterranean.

Survivors said that panic broke out on the 100-long Venus des Iles II after an explosion in the engine room rocked the ship and flames spread in a matter of minutes.

"People were jumping into the water screaming, women were looking for their children, and old people were sinking. Lots of them could not swim," said M. Paul Sans, owner of the first boat to reach the stricken ferry.

He said he picked up 40 people before it became dangerous to take any more on board. M. Jean-Marie Robert, the local prefect, told a press conference later that frogmen and rescue vessels were still searching for people believed missing.

It was impossible to know exactly how many people had been on the ferry, which was on a regular hour-long trip to the island of Porquerolles.

The Venus des Iles II, a shallow-draught ferry boat, had room for 300 people on its open-air decks. M. Hughes Schmidt, a local man who was going to Porquerolles with friends, said he noticed smoke coming from an engine room

hatch after the blast and flames billowed out when members of the crew opened it.

He said one fire extinguisher failed to work. The passengers panicked when they saw the smoke and began to jump into the water.

"I saw an old lady with her face under water. I went to help her and she was still breathing when I reached her. But I think she died before I could get her to a lifeboat. It was horrible."

Navy helicopters and rescue vessels arrived on the scene within minutes from the Saint Mandrier base, across the Bay of Toulon, to rescue survivors. The naval base is on a 24-hour alert throughout the summer holiday season.

The disaster occurred half an hour after the ferry left Toulon. An earlier scheduled ferry had been cancelled so there were more people on the boat than usual, survivors said.

Most of them were only in the water for a short time before being picked up and taken to hospital in Toulon. Four of the worst burn cases were flown to a larger hospital in Marseilles.

M. Robert said there would be an immediate inquiry into the disaster, which would bear evidence from survivors and members of the crew.—Reuter.

## UN mandate renewed by Egypt for another three months

From Paul Martin  
Beirut, July 23

Egypt today ended the suspense over the future of the United Nations peacekeeping force in Sinai by renewing its mandate for a further three months, until October 24.

The decision was made by the country's National Security Council headed by President Sadat and was disclosed only a day before the mandate was due to expire.

As the world waited for Egypt's decision, forces on both sides of the disengagement line in Sinai had been in a state of alert, and tension mounted to the highest peak since the withdrawal process began. Egypt's decision came after Tuesday's urgent appeal from the United Nations Security Council for an extension.

The Egyptian announcement suggests that progress has been made in peace efforts. The reason for President Sadat's original decision not to renew the mandate was what he described as Israel's "delaying tactics" in the American-sponsored negotiations for a new Sinai withdrawal.

Announcing the Egyptian decision, Mr Ismail Fahmy, the Foreign Minister, said: "We will be making a basic reassessment of our position concerning further steps in the crisis."

President Sadat and his top aides have been studying Israel's latest peace proposals which were communicated to the Egyptians by Mr Herman Eilts, the United States Ambassador in Cairo. There have been some indications from

both sides that headway has been made.

Mr Fahmy said that Dr Kurt Waldheim, the United Nations Secretary-General, would arrive in Egypt on Friday for talks with President Sadat. He had played an important role in the international efforts exerted in the past week to persuade Egypt to change its mind.

Moshe Brilliant writes from Tel Aviv: Mr Rabin, the Prime Minister, said tonight that Israel is ready for an interim agreement only if it is a step towards peace and includes an undertaking to refrain from force. Another condition must be a declaration that peaceful negotiations will be the only basis for relations between the countries.

He said Israel will also insist that in the stage before the final agreement, there will be face-to-face negotiations between Israel and Egyptian delegations. An official said these talks could be similar to those that preceded the first separation-of-forces agreement mediated by the Americans last year.

Addressing a convention of American women Zionists in Jerusalem, Mr Rabin said that President Sadat had raised a question mark over prospects of an interim agreement when he referred to Israel in a speech last night. He said that Israel's latest peace proposals which were communicated to the Egyptians by Mr Herman Eilts, the United States Ambassador in Cairo. There have been some indications from

Husain warning, page 5

## Crossman book 'led to secrecy rule coding'

By Martin Huckerby

Sir John Hunt, Secretary of the Cabinet, told the High Court in the Crossman diaries case yesterday that the rules governing what should not be disclosed in a minister's memoirs had been set down for the first time only just before correspondence started about the diaries.

Mr Samuel Silkin, QC, the Attorney General, is seeking an injunction to stop publication of the members of Richard Crossman either in book form or as extracts in *The Sunday Times*.

Questioned by Mr James Comyn, QC, for *Times* Newspapers Ltd, Sir John said: the parameters were not his, but reflected the conventions that had grown up about the publication of ministers' memoirs.

Questioned further, he agreed that he was the author, to the extent that he had drafted them and had sought legal advice on them. Mr Comyn asked when they had been codified, and Sir John said: "In this form, in connexion with the Crossman diaries."

They would exclude from publication detailed discussions in the Cabinet or its committees and detailed discussions between ministers, or ministers and their advisers, concerning both the development and formulation of policy and the appointment, and transfer of senior public servants.

Mr Comyn produced a copy of Mr Wilson's memoirs, Law Report, page 22

The Labour Government, and suggested that it disclosed a great many government secrets. There were, in two instances, "avowed breaches" of the first parameter of secrecy. Sir John said those were stated to be exceptions to the general rule, with reasons given for the departure. His answer drew some laughter.

It was very difficult to draw the line about which details of a Cabinet discussion might be published. Thus there were frequent references in his correspondence with *The Sunday Times* to "grey areas".

Sir John said in an affidavit read to the court that the diaries were regarded as a direct challenge to the practice of government. Volume one contained much more extensive and damaging material than had been published so far in *The Sunday Times* extracts. If the diaries were published many other writers would seek to publish similar material.

Mr Silkin yesterday handed in affidavits from politicians of both major parties strongly supporting the retention of the secrecy of Cabinet and other discussions. They included affidavits from Lord Hailsham of St Marylebone, the former Conservative Lord Chancellor, Lord Gardiner, the former Labour Lord Chancellor, and Sir Peter Rawlinson, the former Conservative Attorney General.

The case continues today.

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## Milk goes up p a pint from Aug 3

Our Political Staff  
The retail price of milk will be by 1p to 7p a pint from August 3. A further increase of 1p is almost certainly on the way.

The Ministry of Agriculture said yesterday that the increase is necessary to contain the cost of the subsidy, now £270m a year, within the prescribed limit.

It would also help to finance the increase in the guaranteed price paid to producers and to set higher distribution costs, including wage settlements.

The further increase is likely to be foreshadowed by Mr Carr, the minister, when he announces to the Commons the outcome of the Brussels decision to devalue the "green pound", the fixed rate of exchange by which EEC farm products are converted into sterling.

The 7 per cent devaluation is expected to put 1p on the price of a pound of butter and 2p on a pound of bacon.

## BBC quits India because of news censorship

The BBC, declaring that the new Indian censorship regulations were "unacceptable", suspended its news operations in India yesterday and withdrew its correspondents. In a statement issued in Delhi, London, the BBC said the censorship guidelines bar correspondents from presenting "a fair and authentic picture of events in India".

Mr Mark Tully, the BBC correspondent, is to leave early today for London. He said the BBC office would remain open in Delhi but that it would deal only with administrative matters.

Delhi debate, page 5

## Limits on coroners' jury powers

The Government is to introduce a Bill to limit the powers of coroners' juries to prevent them from returning a verdict of murder against a named person and to relieve a coroner of having to commit someone for trial. It was announced in the Lords that the Bill will be brought in at the earliest legislative opportunity.

## Allegation over Trident plans

Plans for the Trident airliner were given by de Havilland, the British aircraft builders, to the rival company, Boeing, when the American company was developing a similar aircraft, the 737, which eventually outsold it, a book published today alleges.

## Kearton speculation

Lord Kearton's resignation from the chairmanship of Courtials six months before he reaches the official retirement age of 65 was being widely interpreted last night as clearing the way for him to become the first chairman of the new British Leyland limited.

## Lisbon left digs in

General Goncalves, the Portuguese Prime Minister, and his leftist allies yesterday prevailed over the moderates in the MFA and prepared plans to consolidate their power.

## Marijuana test case

In a test case brought by an Alaskan lawyer, the state's Supreme Court has legalized home consumption of marijuana. Washington is now reassessing the whole issue.

## Riots flare in Athens

The first anniversary of the fall of the Greek military dictatorship and the restoration of democracy was marked in Athens yesterday by rioting in which at least 67 people were injured.

## Drug tests

The Department of Health said yesterday that hospital consultants and family doctors were being paid by drug companies to carry out clinical tests on patients with new drugs.

## Shoe misery

Britain's footwear industry has a dismal image and should set up a new complaint procedure, it was stated yesterday.

## Paris: Senior judge appointed to head inquiry on prostitutes

Prostitution by press and public 5

## Houston: One of the Apollo astronauts said yesterday he had done nothing

that his 91-year-old aunt could not have done 6

## Singapore: Four-page Special Report in the series Investment Centres of the World

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Letters: On pay restraint measures and the law from Mr D. W. G. Sawyer; the verification of minors, from Mr Nigel Harris.

Leading articles: Crises in public industry; MP's pay; The Fall of Signor Fanfani.

Features, pages 6 and 14  
Bernard Levin: The doctor whose name we must never forget; Ronald Butts analyses the advantages and the risks of détente with Russia.

Arts, page 13  
Richard Attenborough talks to John Higgins; Leonard Buckley on *Johnny Go Home* (Yorkshire); Irving Winkler on *Intergalactic Tourists* (Open Space Theatre).

Books, page 7  
Michael Rafter reviews Maurice Cowling's study of British politics and policy, *The Impact of Hitler*.

Sport, pages 8-10  
Swimming: Willie wins gold medal; Equestrianism: Royal International Horse Show; Cricket: Australians struggle.

Business News, pages 17-23  
Stock markets: Gilt-sustained early losses on interest rate fears but recovered later. Equities also lost ground and the FT Index closed 5.3 down, at 253.5.

Financial Editor: Courtials looks to the second half; longer term attraction of Unigate; Ciba Geigy loan.

Business features: Peter Jay draws a parallel on dignity and efficiency.

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## Labour's industrial policy statement toned down

## Big cuts in local services forecast.

Mr Healey had made clear in his Budget that growth was to be restricted to 1½ per cent. Last week the Secretary of

## Industrial policy led down

## Yorkshire pit leaders to fight pay limit

## for rejoining

By Our Labour Editor

The way was cleared yesterday for the National Graphical Association, the largest print-

That was announced in the Lords yesterday by Lord Wells-Bell.

## it powers 'juries

## Prisoners at the Maze get new buildings

## New drugs tested on 'guinea pig' patients

## TV programme on abortion off

## Extradited man held at airport

**Fast and record**

**FRONT'S Warm Cold Occluded**  
(Symbols are on advancing edge)

**ings**

**NOON TODAY**

## New salary rates for schoolteachers

### 34 Labour back

voted against p

## Tenants' takeover urged by Tory group

**Bankbenchers**  
**on policy**

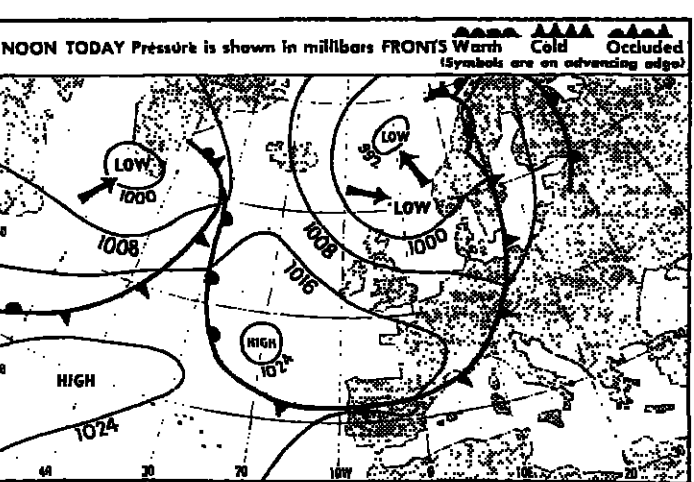
## No Home Office

## ce inquiry

## Britain and Italy leading in bridge contest

the seventeenth round and Britain's good win against Portugal 19-1 have combined to cheer the British supporters. They are hoping for second place, which carries special significance if Italy wins, which seems a strong probability. With Italy as the bolder and more assured of a place in the

## Weather forecast and recordings



**Pressure** will remain low to N British Isles and high to S, maintaining a W airstream over districts.

**Sea forecasts:**

London,	SE,	central	S	E
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## 34 Labour backbenchers voted against pay policy

W. J. Griffiths (Hillingborough), Mrs. J. W. H.
W. J. Lambert, E. Hoffer (Liverpool),
John D. Hovle (Nelson and Colne),
Robert Hughes (Aberdeen, North), Roy
W. Hughes (Newport), D. Lambie (Ayr),
John Central, J. Lee (Birmingham),
W. J. Ward, A. Lewis (Newham),
North-West, F. Litterick (Birmingham),

1. **English nationalists:** G. Evans (Cambridge), D. Wisley (Coventry), J. B. Bradfield (Ulster Unionists), Rev R. Bradfield (Enfield, South), J. Carson (Belfast, North), J. McCusker (Armagh), J. Lynskey (Antrim, South), E. Powell (Down, South), W. Ross (London, North).

## No Home Office inquiry into Stonehouse incident

subject of a Commons motion tabled by Mr Stonehouse. It explains that regulations allow inspectors, masquerading as

ing the prisoner said he had writ to serve but subsequently unsuccessfully attempted to serve a writ with the protection of warders".

Strathclyde Regional Council  
and yesterday that the loch was  
to be a water sports centre of  
international standard.

[illegible]

ed	51	88	Reykjavik	s	28	46	Fol
erica	5	84	Rome	s	28	72	Pub
aga	5	77	Stockholm	s	17	61	Lib
a chair	5	76	Tel Aviv	s	22	70	Pres
ow th	1	65	Venice	s	26	83	42
et	5	82	Warsaw	f	24	75	Tel
York	5	82	Zurich	s	24	75	Lab

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## HOME NEWS

## Plans to build more jails abandoned despite growing threat of intolerable overcrowding

Peter Evans, Home Affairs Correspondent, says plans for two new prisons had to be abandoned because of financial cuts, in spite of worsening overcrowding, the Home Department says in its report for 1974, published yesterday.

Several other building or re-building schemes have had to be deferred. Cuts in total £43m were made in 1974-75 and 1975-76, a further example of the accelerating crisis facing the penal system.

In 1978-79, the Prison Department hopes to complete 5,400 places by providing more training prisons and accommodation for young offenders, but there appears to be little time left for manoeuvre, or drastic action becomes necessary to cope with overcrowding.

Mr Jenkins, Home Secretary, said on Monday that the prison population is more than 40,500. At 42,000, overcrowding will approach the intolerable.

A high-level group within the Home Office is keeping the figures under constant review and moving prisoners to what spare accommodation there is. Worst affected are the South-east, Midlands and North-west.

One wing at Pentonville has been taken over for remand prisoners to ease pressure on Brixton. All London prisons will be expected to help out. The first floor of the hospital at Chelmsford prison is also being taken over.

As numbers increase, supervision becomes more difficult. For increasing numbers of prisoners it will inevitably lead to more time being spent in cells, instead of an association with the evening period when they can meet, watch television, or play quiet games. Education classes also will suffer.

Those concerned with prisoners' rights are already giving warning of the dangers that can result from overcrowding.

ing. Sharing three to a cell, which is one way of accommodating increased numbers, produces unimaginable strains, although efforts are made to put compatible people together.

For the prison officers there are obviously increased difficulties in trying to keep the regime ticking over, let alone providing extras.

The report says: "For all the increase in the size of the service and the complexity of the problems facing it, the key stone of the service is still perhaps more than ever before the ability of the prison officer to handle relationships with difficult people in the existing environment of the total institution."

The report says the average annual cost of maintaining an inmate was about £2,210, compared with £1,840 in the previous year. The price of food, electricity and other services has risen, and a small increase in the number of staff, but in real terms showed little change.

Pay and allowances, travel and removal expenses, and superannuation allowances cost £53m out of total gross current expenditure of £88m.

That figure would not be dramatically reduced even if the policy of treatment in the community was applied to more Probation officers. The report discloses a critical and deplorable state of overcrowding in many prisons, a spokesman for the National Association of Probation Officers said (the Press Association reports).

"Society must realize that prison should be reserved only for those offenders who pose a real threat to the community," he said. "It is the responsibility of the Home Office to equip the probation and after-care service to supervise far more offenders in the community than at present."

A cut in the prison population was urgently needed.

Report on the Work of the Prison Department, 1974, Command 6143 (Stationery Office, £1.55).

## Child-care policy examined

Our Legal Correspondent, almost half the child care policy decision by the local authority into whose care they had been placed committed their offences, a survey published in *New Society* today shows.

The proportion was little more than the children who were sent to a residential institution.

The survey was carried out by Mr Michael Zander, Reader, Law at the London School of Economics, to try to cast light on the controversy over whether social workers are allowing too many children in care on criminal charges to go home. More than 10 cases were studied, and social workers and police involved in most were interviewed.

The worst recidivism was among children who had to be in home because there were residential places available. Twenty-four per cent committed further offences.

Stark differences of opinion were disclosed between social workers and the police on how to deal with particular children. Most nine out of 10 of those not home by the local authority as a matter of policy are characterized by the police as needing residential accommodation.

## Safeguards on child-killer were ineffective

Our Correspondent, Bedfordshire, laid down by social workers when John Auckland, who had served a prison sentence for killing his baby daughter, was allowed to look after his three other small children were ineffective, Mr Auckland, QC, told an inquest at Shefford yesterday.

A decision was at worst a "monumental error and at best unnecessary risk," he said.

Mr Auckland, aged 31, of Iafon, near Barnsley, later uttered to death another daughter.

Mr Herrod said only three children were in the care of social workers during the 10 weeks Mr Auckland lived alone with his children. Health visitors did not make even one effective visit.

The inquiry will publish a report and recommendations.

## Life sentences in case of dropped body

Two brothers, David Winder, 30, of Jubilee Drive, Verpoort, and Thomas Winder, 31, of Reading Road, Farnborough, Hampshire, were sentenced to life imprisonment after being convicted on majority verdict of the murder of a 16-year-old girl, Rachel, aged 31, a source.

The prosecution had said that Rachel was strangled while given a lift. The car was found on a road near the body was later dumped in a wood.

James Parker, aged 30, of Reading Road, Farnborough, is acquitted of the murder of an alternative charge of manslaughter. He was convicted helping to conceal the body.

Mr Justice Maise was told that Rachel had been in prison for six months. Sentencing him to nine years' imprisonment, he said: "I understand it, that means really your immediate release. You acted under the influence of Thomas Winder."

## 4,514 complaints from footwear customers

Derek Harris, the footwear industry, which has been troubled by foreign imports and sluggish home orders, was criticized yesterday by the Office of Fair Trading for a "disastrous record" in its relations with customers.

Mr James Humble, assistant director of the office's consumer affairs division, speaking at a forum in London, urged the industry to set up a "code of practice" to deal with complaints. A "dismal impression" of boots leaking, soles separating, upper splitting, dye staining, zips sticking, straps snapping and heels falling off, he said.

"Many customers who return shoddy goods to the shop say they are met with hostility and indifference, managers apparently ignorant of the law and reluctant to act without clearance from head office."

No doubt some customers were unreasonable, and it was fair to say that talks about a code of practice started on the industry's initiative with the Office of Fair Trading.

An independent shoe testing centre was urgently needed. Better labelling, indicating cate-

## Hostels sought for down-and-out children

By Diana Geddes.

The situation of down-and-out children in London, featured in Tuesday night's television documentary, *Johnny Go Home*, will get worse as long as there is no improvement in the acute shortage of cheap single accommodation for single people, the Campaign for the Homeless and Rootless (Char) said yesterday.

Char, an umbrella organization helping the single homeless in London, called on London boroughs to provide small short-stay hostels in their areas. There the thousands of young people who flock to London from the provinces each year in search of the bright lights and will paid work would have time to sort themselves out.

Speaking at a press conference in London, Miss June Lightfoot, a field worker for the organization, said that the private rented sector, which used to provide cheap furnished single rooms, had been declining sharply for several years. But the number of people needing such accommodation was growing.

Some young people might find a room in a voluntary hostel, but expenditure cuts were threatening closure many of these dependent on grants. The housing sector, concerned with housing families, had not yet come to grips with the difficulties of the single homeless although some steps were beginning to be taken.

Miss Lightfoot said her organization knew of commercial hostels exploiting the shortage of accommodation for single people by charging high rents and providing little in return. Even if newly arrived young people were able to find work

they soon found it impossible to keep it if they were having to sleep rough every night, she said. From there it was all too easy to fall prey to the dangers of exploitation by homosexuals, drug addiction, crime and even violent death, as portrayed in the second part of Tuesday's documentary.

Her organization would like to see information points set up at all bus and train terminals, where staff could direct newly arrived people to somewhere to live and could help them to look for work.

Debate urged: Mr Norman Fowler, Shadow Secretary of State for Social Services, has asked for a Government inquiry into the plight of homeless children in London and is to seek a Commons debate on the subject.

Leonard Buckley's review, page 13

## Two croupiers sentenced for roulette fraud

Two croupiers in a London gambling casino, Patricia McLeavy, aged 26, of Clapham Common, and Susan Pavett, aged 29, of Mayton Street, Holloway, were said at the Central Criminal Court yesterday to have used their "youth, wit and good looks" to cheat at roulette.

Convicted of being concerned in a plot to defraud the Hertford Club, Mayfair, each was given a nine-month suspended jail sentence.

The court was told that Giacomo Marsaglia, a professional gambler, now serving four years in jail after pleading guilty to plotting to defraud gambling clubs, made approaches to casino staff. After his sentence he gave evidence for the Crown in the trial of Miss McLeavy, Miss Pavett, John Ernest Logue, aged 26, a croupier of Branch Hill, Hampstead, and Irvin Lipman, aged 26, of Dingwall Gardens, Hampstead, who all denied plotting to defraud the Hertford Club. Mr Logue also denied plotting to defraud clubs and casinos.

They were all found guilty, and Stanley Schacter, aged 34, a croupier of Church Street, Lower Edmonton, admitted plotting to defraud the Hertford Club. Mr Logue was jailed for 18 months, Mr Schacter for 12 months, and Mr Lipman, a compulsive gambler, for nine months.

## Prince of Wales in air display

The Prince of Wales proved himself a fully trained helicopter pilot yesterday when he took part in a display at the Royal Naval Air Station, Culdroe.

Piloting a Wessex helicopter, the Prince led his flight on a mock rocket and machine-gun attack on a fort. Later he took another run.

## Cardinal Heenan protests about abortion directive

By Our Religious Affairs Correspondent.

Cardinal Heenan published yesterday the text of a letter to the Prime Minister protesting that the Government has encouraged discrimination in National Health Service appointments against doctors who refuse to perform abortions.

A memorandum to local health authorities from the Department of Health and Social Services has advised that doctors who object to performing abortions on the grounds of conscience should not be appointed to certain posts. Cardinal Heenan said in his letter: "The memorandum effectively serves notice on gynaecologists, anaesthetists and pathologists who object to abortion that they have no future in the National Health Service."

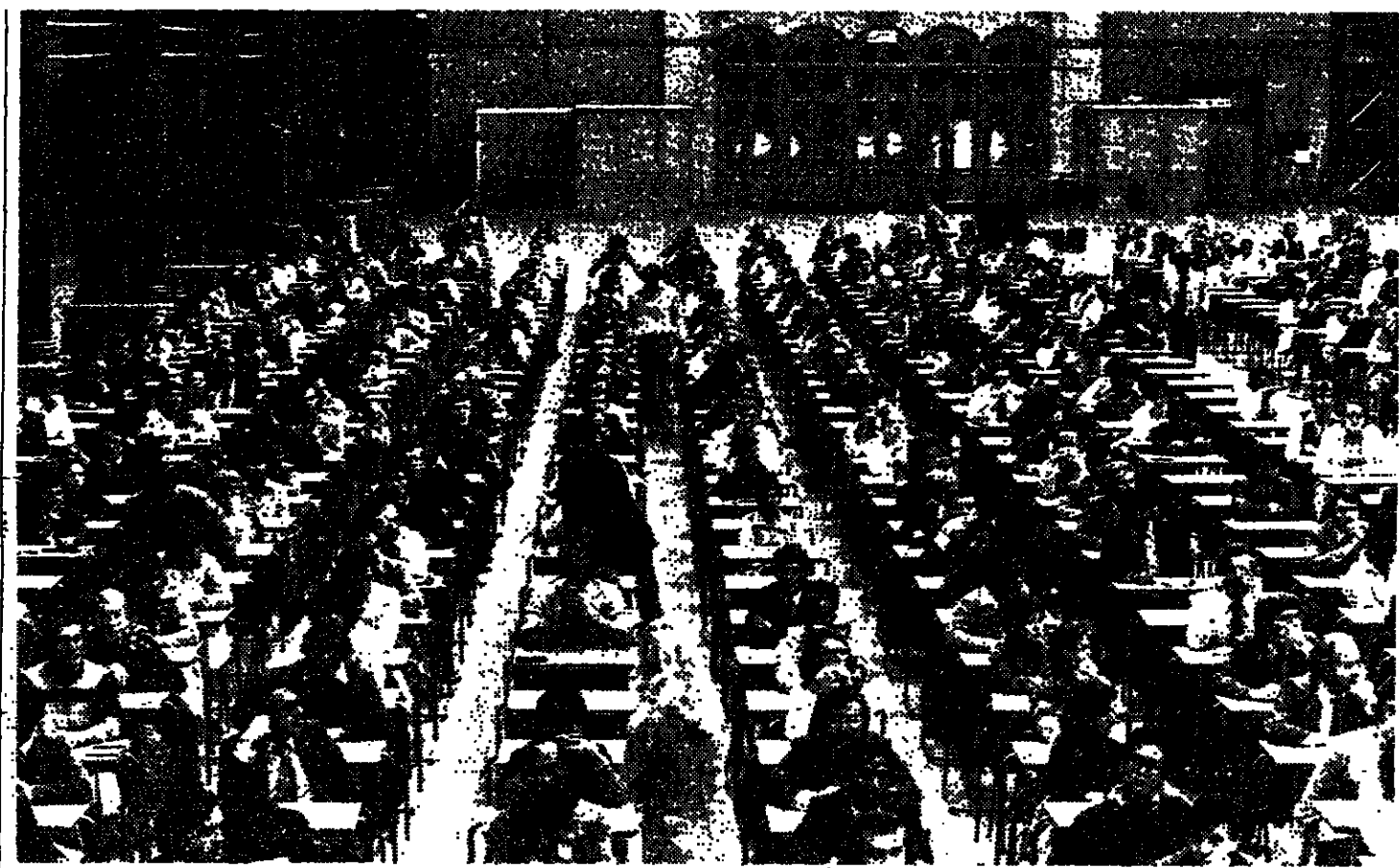
An undertaking was given to Parliament at the time the Abortion Act was passed that "doctors unwilling to break the age-old oath never to destroy life would not be penalized." Cardinal Heenan said. The memorandum had greatly disturbed Roman Catholic doctors and nurses, and he was writing on their behalf, but they pointed out there were many others.

In a statement he added: "The Abortion Act is not working as intended. In practice the state now provides facilities for abortion to all women for whatever reason, and this service requires a large number of doctors and nurses."

## Causes of death crash disclosed

Mr Gilbert, the Minister for Transport, is arranging for vehicle inspectors throughout Britain to be informed of the mechanical causes of the coach crash in May at Dible's Bridge, Yorkshire, in which 32 people were killed and 14 injured.

In a Commons written reply yesterday, he said that he would introduce other measures to reinforce the inspection of braking system.



Some of nearly two thousand doctors sitting qualifying examinations at Alexandra Palace, London, yesterday, to practise in the United States: Medical emigration is increasing.

## Self-help call for immigrants

The watchword among minority immigrant communities in Britain must be self-help, the Runnymede Trust says today in a report on the work of some community relations councils.

The report, prepared for the Commons select committee on race relations and immigration, calls for a national assessment programme of all the councils.

## Catholics in plea for direct-grant schooling

By Our Education Correspondent.

The Government's policy of phasing out direct-grant schools would spoil the educational chances of thousands of children from poor Roman Catholic homes, Cardinal Heenan, Archbishop of Westminster, has been told by a delegation of parents.

Mr Norman St John-Stevens, Opposition spokesman on education, science and the arts, who led the delegation, on Tuesday, said yesterday that the parents from Roman Catholic direct-grant schools had also pointed out that the takeover of the 54 Roman Catholic direct-grant schools might cost £50m in capital costs alone.

The 54 schools take 5 per cent of Roman Catholic children as opposed to a national average of 2 per cent at direct-grant schools.

More than four fifths of the Roman Catholic children enjoy free places paid for by the local education authorities. Mr St John-Stevens said most of the parents would be unable to afford fees.

The abolition of the schools would have catastrophic effects on educational standards within the Catholic community and the sacrifices made by generations of Catholic parents, teachers and educationists would be in vain.

The parents say the school premises, which belong to religious orders, would have to be bought at a cost to the taxpayer of £50m. That was an "absurd waste" of resources when government spending on education was being cut.

Mr Francis Crowley, secretary of the Catholic Direct-Grant Action Committee, said the delegation had been reassured by their meeting with the cardinal. They now understood that the bishops were being forced into accepting comprehensive education.

## British Rail criticized over Channel tunnel

By Craig Seton.

The Channel tunnel project, officially abandoned six months ago, could have cost the United Kingdom less to build and operate than the expansion of existing ferry and air services, but was not "indisputably" better.

That is one of the main conclusions of the Channel Tunnel Advisory Group, appointed last year to untangle some of the complicated commercial and economic arguments for and against the project. It continued its work after the abandonment of the scheme was announced in the Commons in January.

The group's report, published today was prepared under the chairmanship of Sir Alec Cairncross, Master of St Peter's College, Oxford. It is particularly critical of British Rail's role in the plans to deal with the difficulties posed by cross-Channel travel.

British Rail's attitude to cross-Channel traffic had seemed inconsistent. It had hailed the proposed high-speed rail link between London and the terminal as an important opportunity, but had made virtually no attempt to provide, with the French and Belgians, a "premium service" whether via ferry or hovercraft to Paris or Brussels.

The group estimates that by 1990 some eight million people would want to travel by rail to the ports. The project's cancellation had postponed, not removed, the difficulty.

British Rail's lack of "imagination and effort" in considering ways of easing congestion to allow some inter-city trains to connect with hovercraft at peak periods had not impressed the group. British Rail was also criticized for failing to capitalize on the advantage of hovercraft travel.

The group acknowledges that it was conceivable that in due course a road bridge "might be preferable" despite heavy additional costs and recommends that more thought should be given to other possibilities, such as bridges or a submerged tube. "A death blow": Cancellation of the tunnel is "a death blow to the north-west European high-speed system", British Rail said yesterday. It said that had the project not been scrapped it would have presented a full evaluation using its own investment criteria.

The Channel Tunnel and alternative cross-Channel services. Channel Tunnel Advisory Group (Stationery Office, £1.65).

## In brief

## Rate warrant on former JP

A distress warrant for non-payment of £28.59 rates was issued at Focklington Magistrates' Court, north Humberside, yesterday against Lieutenant Colonel John Derbyshire, aged 61, a former magistrate. He said afterwards: "When somebody calls for the money I shall pay up."

Colonel Derbyshire was removed from the bench at Focklington after 23 years by intervention of the Lord Chancellor when he refused to sign distress warrants because he objected to the rate increases imposed by the new district council.

## Ministry to pay for germ 'leak'

Damages of £23,800, with costs, will be paid by the Ministry of Agriculture, Fisheries and Food to Mrs Krystyna Feecey, aged 36, a microbiologist, who contracted brucellosis, the cattle disease, through a "leak" of germs at the ministry laboratory, Weybridge, where she was doing research. In the High Court yesterday the ministry accepted responsibility for the leak.

## Doctor ordered to be struck off

Dr John Philip Sedgewick, of Wheatley House, Lucas Road, High Wycombe, was accepted £1,000 from the Bayer Chemical Company for testing a drug on patients, was ordered to be struck off the medical register yesterday.

Finding him guilty of serious professional misconduct, the Disciplinary Committee of the General Medical Council decided that he had not carried out a genuine clinical trial. He has 28 days in which to appeal.

## Campaign for elderly

More than 70 organizations are to campaign from November through next year, designated "Age Action Year" to publicize the difficulties of growing old. They hope to raise more than £1m for research into aging.

## £450,000 fire safety

Improvements in fire safety precautions at 75 social service homes in Surrey, including 36 for old people, initiated since the tragedy at Fairfield Home, Northamptonshire, will cost £450,000.

## Falling wall kills two

Two building workers who died when a wall toppled on them at Croughton, Northamptonshire, were named yesterday as Mr Colin Mears, aged 33, and James Gray, aged 16, both of Finedon, Northamptonshire.

## Water rationed

Rationing of water supplies for 100,000 people in Northern Ireland began last night because of the low level of one of the province's reservoirs. Homes affected are in Co Down and Co Armagh.

## Boys at girls' school

Cranborne Chase girls' public school in Wiltshire, is to offer six places at six-form level to boys, from September.

## City's flood scheme

The river Wensum, in Norwich, is to be widened at a cost of more than £109,000 to protect the city from flooding.

## Man is free to publicize new pop concert site

By John Roper, Medical Reporter.

Those who care for patients with heart attacks should have rehabilitation in mind from the beginning, a report published yesterday by the Royal College of Physicians says.

Nearly half the survivors have had only a mild attack without residual physical disability. Those with extensive damage could usually be recognized at an early stage and most patients should be able to return to work after a few weeks.

The report, by a working party of the college and of the British Cardiac Society, is aimed at informing doctors rather than patients about rehabilitation in the use of exercise. Presenting it to the press, the doctors agreed that the need was to overcome needless but understandable fear of victims of a heart attack. As far as regaining much of normal life was concerned, the attitude of the patient was of prime importance.

The general conclusion was that Britain has lagged behind in the study of physical training as a therapeutic measure.

## Needless' fears of heart-attack victims

Dr Rawle, aged 29, was jailed on June 17 for advertising the Windsor festival in his newspaper, *IT*.

The judge told Mr Rawle that if he was guilty of the slightest infringement of the court orders banning the Windsor festival he would inevitably go back to prison.

After his release, Mr Rawle, dressed in a purple shirt, grey velvet trousers and knee-length boots, said he would be working hard to promote the nine-day "Fourth People's Free Festival", planned to start at Watchfield on August 23.

He said many pop groups were expected. The promoters would be doing their best to ensure the event was better organized than in the past.

He said there must be no repeat of last year's events at Windsor, when the festival was broken up by the police and many people were arrested.

The Association of District Councils yesterday passed an emergency resolution expressing grave concern about the lack of consultation with the local council over the Home Office decision to change the venue of the festival from Windsor to Watchfield.

The association said the short notice of the change was totally inadequate in view of the health hazards that would result unless proper arrangements were made for the expected influx of enthusiasts.

## Report brings safer cigarettes closer

By a Staff Reporter.

The Independent Scientific Committee on Smoking and Health published its first report yesterday, bringing perceptibly closer the day when safer cigarettes made from tobacco substitutes are marketed.

The committee, under the chairmanship of Dr Robert Hunter, Vice-Chancellor and Principal of Birmingham University, has been examining tobacco substitutes and additives in tobacco products, and their testing and marketing in the United Kingdom.

The report lays down guidelines for cigarette manufacturers in testing tobacco substitutes. When the Hunter committee is satisfied that a company would be acting responsibly in marketing a tobacco substitute that has been tested according to the guidelines, such

pseudo-cigarettes, safer than the real thing, will appear in the shops.

That day could be quite soon. For example, Imperial Tobacco is building a factory in Ayrshire that will be ready to start producing substitute cigarettes next year. Most of the other companies have also been waiting for the report, and are equally far ahead in preparing the safer cigarettes.

Announcing the publication of the report to the Commons, Dr Owen, Minister of State at the Department of Health and Social Security, said that any new product needed to be patiently and exhaustively tested for new health risks before it was marketed. The Government thought that "if manufacturers and importers of cigarettes abide by the guidelines prepared by the Hunter

committee on the testing of tobacco substitutes in three stages prior to marketing, tobacco substitute materials might help to reduce the risk to health run by those who cannot give up cigarette smoking."

Restrictions on the use of additives in tobacco in the United Kingdom have prevented the import of flavoured cigarettes popular in the rest of Europe and America. They have also prevented the manufacture of types of cigarettes sold extensively in other countries. Since the Finance Act of 1970 there is no longer need for that restriction to protect the Inland Revenue, but it is still necessary to guard against health risks from exposure to or inhalation of the smoke from the pyrolyzation of tobacco products containing additives. The Hunter guidelines will serve to filter such health risks.



## PARLIAMENT, July 23, 1975

## Seven point plan for textiles fails to satisfy angry Labour MPs: industry 'fed up with promises'

## House of Commons

MR VARLEY, Secretary of State for Industry (Chesham, Lab.), in a statement about help to the textile, clothing, and footwear industries, said: "First, we have decided to provide up to £200 million under Section 8 of the Industry Act, 1972, to raise productivity in the clothing industry, through help for modernization and re-equipment. It will be available to all sectors.

This is a medium to long-term measure which will help the whole textile industry, which depends on the clothing industry for a significant proportion of its domestic sales. Details will be announced shortly, after further discussions with the clothing economic development committee.

Second, we are ready to explore with other sectors the scope for schemes under the Industry Act which are suited to their particular circumstances, provided the financial resources can be found. Discussions have already begun with the footwear and jersey fabric industries.

Third, public purchasing. Government departments are being asked to ensure that they get the requirements of textiles, clothing and footwear from British manufacturers. I hope that other purchasers in the public sector will, as far as possible, follow the same principle. It would be against our interests as an exporting nation to violate the international rules on discrimination. Nor can the Exchequer be expected to accept grossly unfavourable terms for domestic products.

Fourth, we stand ready to invoke the safeguards provided in the GATT Multi-Fibre Arrangement where imports of textiles or clothing cause or threaten serious injury. The European Commission is negotiating bilateral arrangements, covering the Community's textile imports with the principal supplier countries, to prolong and in some cases extend the existing restraints on the more sensitive products. The Community will continue to negotiate on these lines with Hong Kong.

Extended restraints on Taiwan will be published shortly. If other negotiations cannot be brought to a speedy conclusion we would be entitled to propose that the Community use the provisions of the MFA which allow importing countries to take their own safeguards.

In the case of footwear, Poland, Romania, and Czechoslovakia have undertaken that their exports to the United Kingdom of men's leather footwear will be at a level between 5 and 10 per cent below that of comparable exports in 1974. We are keeping the position on footwear under careful review.

To consider action in good time, we must know about any potentially disruptive imports. The Government's fifth measure is accordingly to apply to all clothing and textile imports from non-EEC sources the surveillance licensing which is already in force for some man-made fibres, yarns and fabrics. These are not new measures. Licences will be issued on demand. This extended surveillance will take effect from September 1. The administrative arrangements will be announced as soon as possible.

Sixth, anti-dumping powers. An industry which thinks it has the makings of a case for use of these powers should not hesitate to come immediately to the Department of Trade, whom they will find very ready to give advice and help and who will not hesitate to use the powers to take provisional action for up to six months.

Finally, the ceilings on duty-free imports from Portugal for handbags, properly applied, members will know that customs duties have been reimposed from July 15 on woven outer garments.

The immediate difficulties of these industries spring primarily from the worldwide decline in demand for their products. Our aim is to assist them to come to terms with the new situation and to avoid change at a pace which causes undue social hardship.

The range of measures I have announced shows the Government's determination to see textiles, clothing and footwear industries which are profitable and competitive so as to provide secure and well-paid jobs.

MR HESELTINE, Opposition spokesman on industry (Henley, Lab.), said: "The House will suspect there is not a great deal to be said for the statement. What calculations has the Secretary of State made of the impact of today's measures on the level of demand and employment in the industries concerned?

MR VARLEY—Regarding the impact on employment, this scheme has and will be welcomed by the industry. We are doing all we can to help. It would help the Government if Mr Madden started to support us.

MR CHURCHILL (Stretford, C)—Is he seriously suggesting that his department has received no evidence of dumping? He will undertake that when his department does receive such evidence he will act promptly to introduce anti-dumping regulations?

MR VARLEY—We stand ready to act where there is clear evidence of dumping. The evidence of dumping must make the matter clear to the Secretary of State for Trade. It will be examined seriously.

MR JAMES MARSHALL (Leicester, South, Lab)—There are 70,000 people in the East Midlands dependent on the textile industry. This statement does nothing to relieve the despair and despondency which we have on the Prime Minister's statement on May 23.

The Government must realize that unless something is done to stimulate home demand for British produced textiles, the whole of the British textile industry to take advantage of the boom he and other Cabinet ministers continue to tell us will come in 1976.

MR VARLEY—The £200m of assistance to the clothing industry will directly, although it will take time, assist British textiles. Is Mr Madden suggesting that we are to impose import controls there would not be retaliation against a third of our textiles which are imported? (Labour cries of "Yes.")

MR TOM TORNEY (Bradford, South, Lab)—There is near despair in the textile industry in the West Yorkshire textile area. Would Mr Varley make the strongest representations on the Prime Minister to change his mind on import controls? We textile MPs are not prepared to accept bland statements that control will do no good. We are convinced otherwise.

MR VARLEY—The wool textile industry scheme has been widely welcomed. This clothing industry scheme is comparable and I am confident it will help the textile industry.

MR MCGUIRE (Ince, Lab)—This is the same kind of palliative we have had in the past and it will do nothing for the industry. It is sponsored by the National Union of Mineworkers. When the miners wanted cheap coal imports stopped, they were told to go to the mines. (Cheers and laughter.)

MR VARLEY—I am not sure the textile industry is comparable with the coal industry.

MR DANIEL JONES (Burnley, Lab.)—The textile industry is a difficult industry to believe with the Prime Minister that there are immense difficulties with regard to imports. (Cheers.)

MR VARLEY—Of total production of textiles, a third go to home demand, a third exported and a third to the rest of the world. We are not to the growing concern of Labour and Conservative MPs propose and impose import restrictions. (Cheers.)

MR MADDEN (Sowerby, Lab)—The textile industry is fed up with the case made on its behalf by the Government. (Cheers.)

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## Rebuilding, 'tatty slum' of Piccadilly Circus

## House of Commons

MR LIPTON (Lambeth, Central, Lab.) asked what plans the Secretary of State for the Environment had for the reconstruction of Piccadilly Circus.

MR CROSLAND—There are no schemes for the redevelopment of Piccadilly Circus at present. The Greater London Council and Westminster City Council have reacted an advance stage in their consideration of the plans by Trust Houses Forte Ltd for the redevelopment and rehabilitation of the Piccadilly Circus area.

MR LIPTON—How much longer must we put up with this tatty slum in the heart of the Metropolis which many people regard as the centre of the world? When is he going to do something above removing this disgusting eyesore which does nothing to help the prestige of the city?

MR CROSLAND—I hope the Government will not be added to this list of busy-bodies. I do not intend to share his approach to this. I am sure that the Government will do something to help the prestige of the city.

MR LIPTON—The Government must realize that unless something is done to stimulate home demand for British produced textiles, the whole of the British textile industry to take advantage of the boom he and other Cabinet ministers continue to tell us will come in 1976.

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## Changes in rules for operating pay policy only possible with consent of Parliament

## House of Commons

MR HEALEY, Chancellor of the Exchequer (Leeds, East, Lab.), moved the second reading of the Remuneration, Charges and Grants Bill in the House of Commons.

He said the House had, by an overwhelming majority, approved the White Paper on the attack on inflation. Today they were considering the legislation to support the voluntary policy for incomes which the House had approved.

This Bill gives effect to the rules of the policy. It removes legal obstacles to the operation of the voluntary policy, and ensures that the Government have at their disposal effective means of discouraging employers and their workpeople in both the public and private sectors to break the pay limit.

It did not impose legal controls on pay as such. On the other hand, it did ensure that the Government, in the event of a breach of the pay limit, would have the best possible chance of making sure that the voluntary policy worked.

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parliamentary control, to develop the policy to take account of changing economic conditions. No change would be possible under the Bill in the definition of the pay limit for the purpose of the sanctions, or for relieving employers of contractual obligations without the express consent of both Houses.

The Bill provided that an order in council should be made if the rules of the policy were revised. The order would cease to have effect unless approved by both Houses within 20 sitting days in practice. The Government envisaged that if such an order were required they would ask both Houses to approve the order before they came into effect.

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significant number of authorities were making unnecessarily large rent increases and in so doing were causing hardship to tenants. The Government's attack on inflation, the rent limiting powers of the Housing Rents and Subsidies Act 1975 were reasonable and the Secretary of State for the Environment would not hesitate to use them if he thought it essential to do so.

The Conservative Party refused to support the White Paper last night on the grounds that it had little to do with today's Bill. Yet Mr Thatcher had now put down a reading to the Bill whose only purpose was to make possible a judicial review of the policy which she had undertaken to support.

He could not feel feeling confused at what exactly all this was about, and how it fitted in with the Tory front bench statements over the last few days.

First, the Conservative motion contained a reference to a Bill providing for existing contractual rights to be overridden by a White Paper not open to parliamentary amendment. But it was not a Bill.

The Opposition's second complaint was that pay limits were to be interpreted by the Secretary of State. The House of Commons was the responsibility of the Government. It was right and sensible that a minister rather than a judge should make the responsibility for explaining the policy.

It was far better that the House should be able, under the present policy, to question the minister responsible for a policy which was the responsibility of the Government. The Conservative Government transferred comparable responsibility to the chairman of the Pay Board or Price Commission.

The Opposition's third anxiety was about the additional sanctions which would be used to avoid



WEST EUROPE

# Lisbon radicals defeat moderates' challenge and consolidate power

Lisbon, July 23. — General Gonçalves, the Portuguese Prime Minister, and his left-wing allies were reported today to have survived a challenge by moderates within their military regime and to have drawn up plans to consolidate their power.

It appeared that the radicals within the Armed Forces Movement had prevailed and would present their plans to the movement's full 240-man Assembly later this week.

Both government and political sources said there were various plans under discussion but all pointed to the emergence of an even stronger communist-oriented military leadership despite demands for democratic reforms.

The presidential palace denied one report that General Gonçalves, President Costa Gomes and General Carvalhal, the military security chief, had decided to ask the Assembly for absolute power as a three-man junta.

The sources said there were two proposals apparently under consideration. One provided for the creation of an 11-man leadership council to be made up of the leading radicals now in the 30-man Supreme Revolutionary Council.

The other foresaw the emergence of President Costa Gomes as both President and Prime Minister to orient leadership to the radical left.

Reports from the Azores said that the left-wing mayor of the second largest town in the

Azores had resigned today in advance of a reported separatist move to occupy municipal buildings.

Newspapers said that the separatists, who want to link the islands to the United States, had announced their occupation plans for tomorrow.

The Communist Party said that its headquarters and supporters in the Azores had been attacked by crowds.

A prominent Azorean had earlier said that the Azores were prepared to issue a unilateral declaration of independence if the Government in Lisbon went ahead with a proposal to create a communist-dominated junta in the islands.

UPI's Patrick Brogan writes from Washington: General Vernon Walters, deputy director of the Central Intelligence Agency, said today that claims that Portugal was sending about \$10m (£4.5m) a month to the Portuguese Communist Party were not too wide of the mark.

He told reporters at a lunch that Senator Lloyd Bentsen, who made the claim earlier this week, was not out of the ballpark. He added that the exact figure was hard to determine.

Senator Bentsen called on President Ford to cancel his plans to attend the Helsinki summit unless Russia stopped making the payments.

American officials said today that it would constitute interference in Portugal's domestic affairs to give the Communist Party funds with which to conduct a revolution.

changed radically under its rule, and is accepting less and less the methods and outlook on which that rule was based.

The party's real record of government is now increasingly seen as lacking. Almost certainly, the leaders who have been unmovable and, apparently, in office for life over the last three decades, have given too little heed to the promptings of public opinion and the normal requirements of government.

Equally, there have been too little understanding of the worries felt by Italy's principal allies about the conduct of affairs, given that Italian foreign policy is a policy based fundamentally on alliances.

If Christian Democracy is to survive in Italy as the primary political force (already a remarkable notion given the fact of Christian Democratic parties elsewhere) it has now to show in clear terms that it has "understanding" meaning the succession of its recent defeats, from the divorce referendum in May last year to the Sardinian elections and, last month, the regional and local government election.

Leading article, page 15

# British call to define monetary union

From David Blake  
Dublin, July 23

Britain is awaiting the forthcoming report by Mr Tindemans, the Belgian Prime Minister, on the future development of the European Community, before making up its mind on the idea of an EEC economic and monetary union.

Mr Roy Hattersley, Minister of State at the Foreign Office, said in Dublin today.

So far, Mr Hattersley went on, the EEC had not actually decided what it meant by such union. It was up to Mr Tindemans to come forward with a clearer notion of the term.

He made it very clear that a willingness to examine the idea implied no commitment to accept that the time was ripe for concrete steps towards closer economic links between the EEC countries through a fixed parity of their currencies, or other similar measures.

Mr Hattersley again rejected any move by Britain to join the "snake", the so-called "snake" of European currencies, which now includes five of the original six members of the EEC. He argued that such a regime of fixed parities would put unbearable strains on Britain as well as Italy.

In other ways he was positive in his assessment of the EEC situation after the British referendum on continued membership. He had reconsidered the wisdom of his earlier opposition to the referendum idea.

One of the "two or three most important decisions this century" had been taken remarkably easily, he said. An important constitutional change had been brought about and there had been a decision to vote for "moderate politicians and moderate policies".

The referendum vote had marked the acceptance by the British people that the old days of "cheap raw materials and guaranteed access to markets" were no longer with us.

Britain would now play an "enthusiastic and positive" role in European cooperation when that was in the general interest of the people of Europe.

There would, however, be no "intellectual, ideological or moral fervour" about the British commitment to the Community. Britain would be pressing for a pragmatic approach to European problems and would also be trying to ensure that the Community was outward-looking.

Mr Hattersley was speaking at a conference organized by the *Financial Times*, the *Irish Times* and *Berlingske Tidende*, the Danish newspaper.

Mr Keating, the Irish Minister for Industry and Commerce, told the conference that the Treaty of Rome was a "confused and self-contradictory document" which had become less and less relevant over the years. In contrast to the Treaty, which thought that the future lay in regional policy, Mr Keating said that there was no serious mention of regional or industrial policies in the document.

Passports are issued by the local militia (police) at a person's place of legal residence and are valid for an unlimited period provided the photograph is renewed at the age of 25 and again at 45. Without this renewal the passport becomes invalid.

The person's place of residence and any subsequent changes are entered in the passport by the militia. Marriages, divorces and the births of children are entered in it by the local Bureau of Civil Registers.

Failure to report and comply with the registration rules is a civil and, in some instances, a criminal offence. Internal passports were first introduced by a decree of December 27, 1932.

The stated purpose was to make it easier to keep a check on the population in the cities' worker settlements and the new industrial construction sites, but the implications went far beyond that.

Although citizens were still free to travel anywhere within the Soviet Union, with the exception of certain forbidden or restricted frontier areas, to settle permanently a person had to apply to the militia for permission to register.

In Moscow or other big cities such permission is granted only for reasons deemed valid by the militia. Two years before passports were introduced, the 1930 edition of the Soviet Encyclopedia described the passport system as "a most effective instrument of police pressure and control policy in the so-called police state. The passport system was used in prerevolutionary Russia. It was especially oppressive for the working masses. Soviet law does not accept the passport system."

Internal passports are now especially useful in controlling the movement of persons released after serving sentences in prison or in labour camps and who are still subject to restraints under 'administrative surveillance', or are forbidden to be out of their houses after certain hours, to visit certain parts of the town or district in which they live, or to leave the district, or who are required to report to the militia from one to four times a month.

According to the criminal code people subject to administrative surveillance are required to present themselves whenever summoned by the militia at the prescribed time and furnish oral and written answers to questions relating to observance of the surveillance rules.

They must inform the militia or organization in charge of the surveillance of any change in their place of work or residence, also of any journeys out of the district on business.

If they go to another area for personal reasons with permission of the local militia and remain there more than 24 hours they must register with the local militia there.

In practice, many people released from detention are required to reside in specified areas.

OVERSEAS



Athens riot police attempt to disperse a crowd during the demonstration in the city yesterday.

# Riots mark anniversary of colonels' fall

From Mario Modiano  
Athens, July 23

Serious rioting in Athens marked today's first anniversary of the fall of the Greek dictatorship and the restoration of democratic rule.

At least 36 policemen and 31 civilians were admitted to hospital and more than 100 rioters were arrested after clashes between striking building workers and the police which continued late into the night. The centre of Athens was littered with burnt out cars and blazing barricades, while civilians and tourists were scuttling for cover from the tear gas.

The incidents were triggered by the rioters' attempt to march on the Ministry of Labour to press demands for prompt government action on unemployment in the building trades. The police banned the march.

As some 3,000 demonstrators swarmed into Omonia Square they were confronted by police with tear gas bombs. They fought back with bricks and clubs taken from construction sites.

They used newspapers and building materials to light bonfires in the streets to cut off traffic and counteract the crippling tear-gas fumes.

The Ministry of Public Order said tonight that the strikers had been banned from marching to the Ministry of Labour through the heavy traffic of St. Constantine Street, but were given permission to go by another route.

According to the Ministry, the strikers' coordinating committee accepted these terms, but others in the crowd did not and they began to attack the police.

An official account asserted that the strikers had been joined by suspicious characters and agents provocateurs who organized the rioters into "all hit-and-run groups, set up roadblocks and set fire to buildings under construction."

At one point they attempted to occupy the building of the Ministry of Commerce and the headquarters of Athens Police Department, and set fire to a building about 100 yards from the Ministry of Public Order.

The disorders were still in progress this evening when Mr Constantine Karamanlis, the Prime Minister, appeared on television to address an anniversary message to the people.

He said he hoped today's violence would not continue since it endangered not only the interests of the nation but those of the protesters themselves.

He added that the Government was determined to protect Greece's internal tranquillity. Referring to the difficulties ahead, especially with Cyprus and Turkey, the Prime Minister said sacrifices were needed if the dangers threatening Greece were to be met effectively. The necessary struggle was hardly compatible with the luxury of internal disorder.

Earlier, at a meeting with M. Francois-Xavier Ortoli, and Sir Christopher Soames, the President and Commissioner for External Relations respectively of the European Commission, Mr Denkash discussed the "difficulties" involved in the EEC's continued recognition of a Cyprus Government he considers unrepresentative of the island's population.

In statements issued after the meeting both sides agreed that M. Ortoli and Sir Christopher had taken note of Mr Denkash's views.

King Husain of Jordan has warned the United States that any cuts in the \$350m (£154m) American programme to bolster Jordan's air defences would damage traditional ties between the two countries.

His warning, voiced in an interview with a Jordan news agency, came after reports that congressional opposition had resulted in a watering down of the arms programme.

"We shall not accept any reduction in any quantity of arms Jordan has lately concluded agreements to obtain from the United States," King Husain said. "Otherwise we shall not hesitate to seek the weapons we need from other sources if we run into difficulties to obtain them from America. Jordan is unwaveringly determined not to leave its air space open for Israeli warplanes."

The original American programmes aimed at providing Jordan with a Hawk ground-to-air missile system to cover "the entire kingdom". Jordan was to have received 14 Hawk missile batteries.

In addition it was to have received 60 F5 fighter aircraft as part of the integrated system. Moshe Brilliant writes from Tel Aviv: Israel lost one dead and had four injured when a force patrolling across the Lebanese border encountered resistance apparently from guerrillas. Two houses were blown up. Seven prisoners were brought back for interrogation. The action took place at Kala, a village of 2,000, a few hundred yards from the Israel border.

# Author ordered out of Moscow

Moscow, July 23. — Mr Andrei Amalrik, the dissident writer and dramatist, who was released in May after serving five years in prison and exile, said last night that police had warned him that he and his wife could be jailed if he did not leave Moscow within 72 hours.

Mr Amalrik, who has been living with his painter wife in a Moscow flat since his release, said the police had refused to give him an internal passport or a resident permit.

He was appealing to public opinion for help because the Soviet Government's action, which would prevent him living with his wife, was a violation of the reunification of families clause in the agreement on security and cooperation in Europe, which is to be signed by 35 nations in Helsinki on July 30.

Mr Amalrik said that the authorities want him to renounce his essay *Will the Soviet Union Survive Until 1984*, in which he predicted that the Soviet Government would collapse by 1984 after a Soviet-Chinese war.

He did not necessarily still hold the views expressed in his essay "because there is always evolution in man's thought," but he would not renounce his writings. He was tried in 1970 on a charge of defaming the Soviet state by publication of the essay in the British magazine *Survey*.

Mr Amalrik said that the authorities had ordered him to live in the village of Akoulou, 106 miles from Moscow, where he and his wife had a small house, and had authorized him to make one visit a week to Moscow to see his wife. He said he went but found that the house had been looted and almost totally destroyed and that only the walls and his book remained.

He believed he was being pressed to accept an offer by the authorities of a one-way visa to Israel, made when he was released in May, from Fradim camp in Siberia noted for its harsh conditions.

"I refused because I am not Jewish and I have no attachment or relative in Israel, and my wife is Muslim," he said. The authorities had refused to give him visas for the United States and Holland where he had invitations from universities.

—Agence France-Presse. Bernard Levin, page 14

# Life hangs on the internal passport

From Edmund Stevens  
Moscow, July 23

An internal passport is a must for every Soviet citizen over 16. It is the basic national document that establishes a person's identity, and without which he would simply be an "unperson".

Passports are issued by the local militia (police) at a person's place of legal residence and are valid for an unlimited period provided the photograph is renewed at the age of 25 and again at 45. Without this renewal the passport becomes invalid.

The person's place of residence and any subsequent changes are entered in the passport by the militia. Marriages, divorces and the births of children are entered in it by the local Bureau of Civil Registers.

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# King Husain warns US on arms cuts

From Paul Martin  
Beirut, July 23

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His warning, voiced in an interview with a Jordan news agency, came after reports that congressional opposition had resulted in a watering down of the arms programme.

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# Indian state of emergency endorsed by Parliament

From Kuldip Nayar  
Delhi, July 23

The Indian Parliament has endorsed the four-week-old state of emergency, the Lower House gave its approval today by 336 votes to 59. The Upper House passed it yesterday by 136 votes to 33.

Under the Indian constitution, Parliament has to approve the state of emergency within two months of its proclamation. Once approved, it can last for six months.

Subsequently, the Lower House also passed by 342 votes to one a Constitution Amendment Bill which will bar any judicial scrutiny of the President's reason for declaring the emergency. Before doing so, he has to be satisfied that a "grave emergency exists".

Winding up the discussion on the proclamation of emergency, Mr Jagjivan Ram, Minister for Food, Agriculture and Irrigation, who had sponsored the motion for approval in the Lower House, gave an assurance that the state governments had been told to use the emergency powers "very cautiously" so as to avoid their misuse.

Delhi, July 23. —Opposition MPs walked out before the vote. Mr P. G. Mavalankar, an Independent, said: "This is the most obnoxious piece of legislation ever introduced in the history of India. It brings us dangerously close to dictatorship and totalitarianism."

The endorsement of emergency rule shattered the Government's attempts to portray the political situation as calm. Though the state of emergency was prohibited from reporting the walkout, the news spread by word of mouth. —AP.

# 'Big Mac' plays for time over New York debts

From Our Correspondent  
New York, July 23

"Big Mac", the Municipal Assistance Corporation which is trying to raise money for New York, is debating whether to reduce the size of its next \$1,000m (about £400m) bond issue by offering bonds of outstanding city notes the option of trading them in for Big Mac notes.

The plan is seen as primarily a means to gain time. Discussions with the city's union leaders over ways of restoring investors' confidence have come to nothing, and the city is anxiously close to the deadline of August 15 for finding the money needed.

The city has finally begun to consider the options open to it if the money is not raised. A special unit, created by the City Council, is making its way through the highly complex web of federal laws which apply to default and bankruptcy on the part of city governments.

# Waldheim absence delays talks on Cyprus

Vienna, July 23. —The Middle East crisis has caused the postponement of the third round of talks on Cyprus which was due to have opened here tomorrow.

An official Austrian spokesman said today that Dr Waldheim, the United Nations Secretary-General, under whose auspices the talks are being held, had to remain in New York to deal with the expiry of the mandate for the United Nations peacekeeping force in Sinai. He said the talks would now begin on July 31.

The unexpected announcement was made here as Mr Clerides, the leader of the Greek community in Cyprus and his Turkish counterpart Mr Denkash, were preparing to meet Dr Waldheim. —UPI.

Michael Houshy writes from Brussels: Mr Denkash, who is on a visit here, told a press conference today that his community would not regard itself as bound by anything agreed at the forthcoming Helsinki conference on European security because Cyprus was to be represented by the United Nations, who spoke only for Greek Cypriots.

Earlier, at a meeting with M. Francois-Xavier Ortoli, and Sir Christopher Soames, the President and Commissioner for External Relations respectively of the European Commission, Mr Denkash discussed the "difficulties" involved in the EEC's continued recognition of a Cyprus Government he considers unrepresentative of the island's population.

In statements issued after the meeting both sides agreed that M. Ortoli and Sir Christopher had taken note of Mr Denkash's views.

# Critical time for Rome governing party

From Peter Nichols  
Rome, July 23

The governing Christian Democrats are generally regarded today as having shaken off their immediate past by forcing the departure last night of Senator Amintore Fanfani from the second tier of leadership—but the future has still to be faced.

The drama of Senator Fanfani's removal is still the dominating event, even if tomorrow the Christian Democratic National Council, shot through as it is with new differences and complications, must face the problem of filling the senatorial place. Personal vicissitudes in any country tend to dominate political thinking; and the slowest of manoeuvres, which over four days ended with the departure of Senator Fanfani, certainly give an impression that something was done.

Indeed, it was the senator who had become the symbol of past aspirations and methods. Much now depends in Italian life on how far the Christian Democratic Party, having removed its most energetic leader, can face the challenge of a country which has

changed radically under its rule, and is accepting less and less the methods and outlook on which that rule was based.

The party's real record of government is now increasingly seen as lacking. Almost certainly, the leaders who have been unmovable and, apparently, in office for life over the last three decades, have given too little heed to the promptings of public opinion and the normal requirements of government.

Equally, there have been too little understanding of the worries felt by Italy's principal allies about the conduct of affairs, given that Italian foreign policy is a policy based fundamentally on alliances.

If Christian Democracy is to survive in Italy as the primary political force (already a remarkable notion given the fact of Christian Democratic parties elsewhere) it has now to show in clear terms that it has "understanding" meaning the succession of its recent defeats, from the divorce referendum in May last year to the Sardinian elections and, last month, the regional and local government election.

Leading article, page 15

# Journalists challenge the Spanish Army

From Harry Debelius  
Madrid, July 23

Barcelona journalists today were locked in an open struggle with the Spanish Army. They went on strike in protest against the arrest of a fellow journalist accused of "insulting the Army". Of the seven morning and evening newspapers normally published in Barcelona, only two appeared today.

The journalists' strike began when they learnt that Señor José María Huertas had been arrested yesterday in connexion with an article he wrote in the Barcelona newspaper *Tele-Expres*. The article, entitled "The Underground Erotic Life", dealt with the changing customs of prostitution in the city. The military authorities objected to a brief passage which claimed that in the difficult post-Civil War days a number of soldiers' widows managed hotels where rooms could be rented by the hour for assignations.

Señor Huertas is to be court-martialed on a charge of "insulting the Army". A meeting between the military authorities and representatives of the Barcelona Press Association did not produce any results.

Meanwhile, police announced that they had arrested more than a dozen persons in connexion with the murder of a Madrid policeman.

perpetual smile. He likes looking and has a passion for history. He also is "a lover of nature", who liked to ride in the countryside until he had to give up his horse for a bicycle.

The appointment came "as a complete surprise," he said. He did not expect that a judge would be chosen; but he had accepted out of a sense of duty.

"I am particularly sensitive to all human problems," he declared. As a judge of the tribunal for minors in Paris at one stage of his career, he had to handle cases of juvenile delinquency.

# EEC Commission expects meat prices to rise

From Our Own Correspondent  
Brussels, July 23

European consumers can expect to pay more for meat during the coming months, according to forecasts published by the European Commission in Brussels today.

This year and next pork and bacon prices are expected to rise sharply. Production is likely to fall by about 3 per cent this year and demand to rise.

Beef, too, will cost more because of higher prices paid to farmers. In the longer term, beef production is expected to increase more slowly than during the past two years and by the end of the decade to fall short of consumption again.

Butter prices are expected to be firm this year, but could fall again next year if production is increased.

Butter consumption is expected to drop by between 3 and 5 per cent throughout the community this year. The fall is likely to be most marked in Britain, West Germany and France. It could lead to a 100,000-ton increase in the "butter mountain".

The Commission predicts no repeat of last year's sugar shortage. Sugar beet plantings are 15 per cent higher this year and imports from Commonwealth cane producers should ensure a surplus.

lodge at all of the world of prostitution. "But I shall get to know it. My mission is one of information. It will be necessary to have many consultations, and carry out many investigations. I am a man of dialogue."

"I will have long conversations. I shall try to hear what I am told and see what can be done in this country, what is desirable and improves the life of everyone." He would not be embarrassed to meet prostitutes, who, he said, were "women like any others."

# Greatest American soldier to get a free pardon

From Patrick Brogan  
Washington, July 23

General Robert E. Lee will be readmitted to the Union later this week, the greatest of all American soldiers, who commanded the Army of Northern Virginia in the Civil War, and was in effect Commander-in-Chief of the Confederacy, was deprived of the rights of citizenship in 1865, for reasons of rebellion, and those rights were not restored to him.

He died in 1870 and Congress has now passed a resolution, which the President will sign shortly, correcting the error, if error it was.

The Civil War ended, to all practical purposes, with Lee's surrender to Grant at Appomattox. He saw no reason why he should not accept the consequences, and applied for a pardon.

Grant approved of the application, and President Johnson said that he would give it as soon as Lee swore the oath of allegiance. It was assumed that Lee did not do so, but a few years ago the general's oath, made to a notary public in Virginia, turned up in the national archives.

Nobody knows why it never reached the President, nor why Lee did not insist that it should.

Luanda, July 23. —Fighting went on in the suburbs of Luanda this afternoon between warring Angolan black nationalist movements in spite of a ceasefire agreed upon yesterday. Earlier today it seemed the ceasefire was taking hold.

A powerful bomb damaged the city's largest circulation newspaper and shooting began again soon after.

# Dockers decide to 'black' US grain for Russia

From Our Correspondent  
New York, July 23

The International Longshoremen's Association has decided to refuse to load American and Canadian grain on ships bound for the Soviet Union. The resolution was passed unanimously at the union's annual convention by representatives of 132,000 American and Canadian dockers from the Eastern and Gulf coasts.

The resolution referred to the "disastrous grain deals" of 1972, which enabled the Soviet Union to obtain American grain at bargain prices while the domestic price of wheat rose sharply. "The Russian traders and the huge grain companies" the resolution concluded, "derive undeserved advantages at the expense of the American farmer, the American consumer and the American taxpayer."

The decision has already received the conditional support of Mr George Meany, President of the American Federation of Labour, who attended the conference earlier this week.

The boycott, however, will not be complete since the international Longshoremen and Warehousemen, another union, has said it will not cooperate.

There was continued shooting in the Cazenga and Cuca suburbs. Later in the morning the shooting stopped.

Kampala, July 23. —The Organization of African Unity is keeping its options on Angola open, including the possibility of sending a peacekeeping force there to stop the fighting, an OAU spokesman said today.

Mr Peter Onu, an assistant secretary-general, told a press conference that the leaders of the three liberation movements and their military commanders had been invited to attend the OAU summit meeting on Monday. —Reuters.

# Concern grows over health of



## Pass law scheme defended by minister

From Nicholas Ashford  
Johannesburg, July 23

A storm of protest, over the South African Government's plan to establish "rehabilitation centres" in the Homelands (Bantustans) for African residents, was the result of a "complete misinterpretation" of the Government's intention, according to Mr W. A. Cruywagen, the Deputy Minister of Bantu Affairs.

The centre Administration Department, responding to the strong criticism of the scheme in the English-language press, has asserted that only repeated black vagrancy offenders, and not those found guilty of petty crimes, will be sent to these centres.

Although rules and regulations in the centres will be strictly applied, conditions, according to the department, will not be as severe as in prison or work colony.

As the law stands at present, offenders—mainly urban blacks—can be sent to the centres for up to three years "for the purpose of improving their physical, mental and social conditions," Cruywagen said that only "idlers and won't works" would be sent there, but it is feared that the white administration may be more indiscriminate in its use of the centres.

Several Homeland leaders have expressed their misgivings about the prospect of having them established on their territory and have denied that they were consulted by the Government. However, according to a senior official of the Bantu Administration Department, the Ciskei and Transkei centres are well advanced, and are now approaching completion, were counted four or five years ago.

heard, had a passionate love affair with Mr Christian van der Linde, aged 50, when both worked in the orthopaedic unit of the Red Cross hospital in Cape Town.

Mr van der Linde tried to end the affair when Miss Lehnberg told him she was pregnant. She approached Mr Choegoe, a coloured man living in a Cape Town suburb, to help her. He had with an artificial leg at the hospital. She promised him sex and a car if he would murder Mr van der Linde.

Mr Choegoe described to the court how Miss Lehnberg clubbed Mrs van der Linde unconscious with a revolver.

"She told me to throttle the woman. When she was dead she told me to take her to the car and told me to get the scissors which were lying on a table near the telephone and stab the woman

From Florencia Varas Santiago, July 23

General Carlos Benavides, the Chilean Interior Minister, has announced that there are 4,168 people still under arrest in the country under its state of siege. Of these 1,938 are on trial and another 2,117 have been sentenced.

At a meeting with journalists, the general said the committee for pardons had approved 171 requests for prison sentences to be reduced to 15 years.

Those under arrest are being held in special camps throughout Chile.

About 20 miles south of Santiago is the camp of Pinares, where 1,000 people for women and holds 83 prisoners.

General Benavides said that Venezuela has accepted 10 political Chilean detainees and another 300 people (100 under arrest, plus their families) will be leaving for that country very soon.

Further 198 people have been ordered to leave the country, but the Committee for

# ans detainé

European Migrations is at present trying to locate them. The general said the number of these under arrest was much smaller than reports from abroad would indicate. He said the delay in arranging for some of the detainees to leave Chile was because of certain countries being loath to accept refugees, many of whom were extremists. This was particularly true if they fled from countries already fighting against extremism.

One of these camps, Tres Alamos, is in the province of Santiago on the outskirts of the capital. Originally it was a seminary for nuns, and just before the coup in September 1973, it was sold to the police force who were to set up a centre for homeless children. It was, however, never used for this purpose and in June 1974 it was used as a detention camp for men and women to replace the indoor "Estadio Chile" stadium in which many people were held in the first few weeks after the coup.

It extends over some 10 acres.

# d in camps

The seminary itself has been divided into three sections: one for men, one for women, and the third for those held "incommunicado". At present, 207 people are detained there.

Another camp is at Ritoque in the province of Valparaiso. It was originally a seaside camp belonging to the Central Workers Union, and in June 1974 all the principal figures of the former Allende government under arrest were taken there. There are 147 people in the camp.

General Benavides said the Government was anxious to reduce the number of people under arrest, and had already closed down prison camps at Dawson, Pissagua and Chacabuco.

He said that the Movement of the Revolutionary Left had apparently greatly reduced its forces and had transferred its activities abroad.

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More overseas news, page 10

## A high-contrast, black and white photograph of two digital watches. The watches have round faces and metal mesh straps. The watch at the top is oriented vertically and shows the time '4:03'. The watch at the bottom is oriented diagonally and shows the time '5:03'. The background is dark and textured, possibly a wall or a surface with some faint markings.

□ Anyone for Gucci? I thought I had seen it all when Sheriff Bart rode onto the screen in *Blazing Saddles* sporting the famous green and red Gucci stripes. But now Gucci have brought out this rather splendid tennis bag in which to carry round your Arthur Ashe-style alloy racquet (yes, I know, but I like old fashioned spellings).

The bag, which is beautifully finished in leather and waterproof canvas, costs £65. It is available in three colour schemes (with or without the Gucci stripe) from Gucci Ltd, 172 New Bond Street, London, W1Y 9PB (01-629 2716).



**Photographs by Trevor Sutton**

TMT import the watches from America and sell them for £39 for the men's and £85 for the ladies' watches. By pressing the little button on the side you get a readout of the time (one push) the date (two pushes) and the seconds (three pushes). The readout is lit up for two seconds, unless you keep the button pressed when the illumination lasts as long as the pressure is maintained.

The watches are powered by two miniature silver oxide batteries which, it is claimed, will last one year under normal usage. Integrated circuit technology has replaced all the internal mechanical movements of the watch and combined them in a single, solid state module.

The accuracy of the TMT watch—known as a LED (light emitting diode) digital watch—is based on the high frequency oscillations from a slice of quartz crystal. I am assured that the stability and precision of these oscillations is excellent only in accuracy by the atomic frequency standard. So

Photographs by Trevor Sutton

□ If you are in the habit of losing your wife/husband, dog or car keys, the Key Recovery Service could be just what you need. For those of you who believe that the Rape of the Lock is a Restoration tale of burglary I had better explain

**Summer**

Everybody's listening to Times Cassettes, our new stereos

● **Enjoying Chopin** **G**  
The second of Felix Aprahamian's guides to the appreciation of great music. Prize-winning pianist Martino Tirimo plays music from all periods of Chopin's life. Recorded, like all Times Cassettes, in superb Dolby-system stereo (though you can play it on any cassette machine). 60 minutes.

□ Once upon a time, when the nearest thing to a link-up in space was a live performance by Bill Haley and his Comets, a wonderful fragrance was invented and it was called Aramis. Soon all the best blades in the kingdom took to wearing it and it was also discovered that something known as a boom in the men's cosmetics trade was taking place.

Aramis, in many forms from after shave to bronzing cream, has lingered on since those heady days. It has established a firm following up-market and deservedly has a fine reputation for quality. In the past 12 months, sales of Aramis have risen by no less than 61 per cent.

In spite of these startling figures (or possibly because of them) Aramis decided that a completely new product was needed to supplement the Aramis range. A new fragrance, it was felt, would not suffice. Research apparently established that a whole range of grooming agents for men would be welcomed in an already somewhat saturated market.

Dermatologists were brought in, a computer system was devised, and Aramis 900 was born. It goes on sale in this country on Saturday. Exclusively, to start with, at Harrod's, at a special three month promotion.

Let me stress right away that Aramis 900 and (dare I call it the "old" Aramis have nothing in common except the name. Aramis 900, as eau de Cologne, and as after shave lotion, has an entirely new (and to my mind much gentler) scent than his brother. The fragrance is herbal. I detect traces of oil of orange, oakmoss, jasmine and ylang ylang.

The total skin care system in the Aramis 900 range is scent-free. The deep cleansing bar (as they insist on calling it) is excellent, hard-milled soap which really lasts and does not lather away to nothing in your hand. The granular face scrub does just that and if there are any blemishes left after that part of the assault course then the clear skin pack should quickly clear them up.

Then there are shampoos for different kinds of hair and a scalp scrub for problem heads. The hair conditioner and the managing spray are not at all greasy or sticky and really do hold the old locks in place.

On the principle that I do not write about things I have not tried personally, I used all these products and found that they lived up to the high standards set by Estée Lauder. But there is more to come—the things I have in mind in the line of dury.

The shave cream and the shave foam were held up for my inspection by the people, at Aramis, who looked somewhat dubiously at my beard. Off, at the weekend, it came, to my great sadness and the strains of certain Rossini arias.

The shave cream (my choice because I have a very heavy stubble) really does work. There is no razor drag and there were no nasty accidents. Naturally, I felt somewhat sore (so did my face) after this ordeal. The after shave soother is expensive (£3.90 for a 125 cc bottle) but in these early days of beardlessness is an absolute boon.

As I say, for three months you will only be able to buy Aramis 900 at Harrods (thereafter it will be on sale at selected stores throughout the country). A special team of girls at Harrods will give you an Aramis 900 systems programmer which asks questions like "after shampooing, your hair is . . . easy to comb into place? . . . or . . . difficult?". After your answers to eight such questions have been punched out, the Aramis 900 suggests which of the range of Aramis 900 products would best be suited to your skin, hair and body.

Packaged in silver and blue, the Aramis 900 bottles and canisters are clearly marked with contents and the number of ccs, grams or mls. The largest bottle of eau de Cologne costs £5. A tube of the shave cream is £1.70. Most of the products are priced between £2 and £3.

□ The British Standards Institution has just published a new safety standard for gas cooker appliances (thereby taking the lead in the European standards field once again). Since work within the European Committee for Standardization on this subject is still incomplete, BSI has decided to go ahead with a British Standard.

BS 5258 now provides an up-to-date specification and should be of considerable use to British and European manufacturers. The new standard is vital importance because it incorporates for the first time the requirements for natural gas appliances.

The aim of the standard is that all appliances which comply with it should be safe for normal use when installed and operated in accordance with relevant BS codes of practice and with the manufacturer's instructions. Copies of BS 5258 are available from the British Standards Department, 101, Pentonville Road, London N1 9ND. The price is £3.50 including postage.

Also from BSI is the pamphlet *What Every Mum Should Know...* It costs 12p including postage and contains valuable guidance to mothers on how to guard against accidents to young children.

ADVERTISEMENT  
Good eating with Danish (3)

**GRAVY MAKES  
GOOD BACON  
GREAT**

Housewives don't always associate a hot bacon joint with gravy. There's really every reason why they should: as a nice home-made gravy makes good bacon even more delicious.

Try making it this way: roast a 2lb bacon joint at 400°F or Gas Mark 6 for 25 mins per lb and 25 mins to go.

Make the gravy by stirring a tablespoon of flour into a tablespoon of hot bacon fat. Stir mixture over a gentle heat to brown. Continue stirring while you gradually pour in a half-pint of hot vegetable water or stock. For extra flavour add a tablespoon of lightly fried onions or an onion stock cube. Bring gravy to the boil, season to taste and, if too pale, add a little gravy browning.

Serve with crisp roast potatoes and your favourite boiled vegetables: sprouts or cabbage go particularly well with the flavour of bacon.

Write for leaflets giving bacon recipes including gravy and sauces to Consumer Advisory Service, Department T3, Danish Agricultural Producers, P.O. Box 87, Welwyn Garden City, Herts.

**DANISH**

### Problem

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## SPORT

## Swimming

# Wilkie now aiming for two more gold medals

Colli, Colombia, July 23.—British swimmers were in the first of their appearances at the second world championships here last night, winning one gold and two bronze medals. The Scot, David Wilkie, won the men's 100 metres breaststroke, breaking the British, European and Commonwealth records with a time of 1:44.36sec.

This is not Wilkie's favourite event, but he has been impressive, including the Olympic champion, Nobutaka Taguchi, of Japan, trailing by nearly a second. The 21-year-old American-based swimmer is now ready to fulfil his hopes of winning three gold medals at the championships. He said before the event: "I'll win the first race, I shall be on the crest of a wave for the others." The race was a double triumph for Britain as David Leigh, aged 19 from Sheffield, took the bronze medal.

Britain had five swimmers in last night's finals—the first of the championships—and also took a bronze medal in the opening race. Brian Brinkley, from Peterborough, finished third in the 200 metres free style, setting a British and Commonwealth record of 1min 53.56sec.

Wilkie said: "I was much happier in the heats because I hadn't shaved properly. I shaved again completely at midday and it paid off." Usually, Wilkie has a mustache and beard, but he was delighted with his bronze medal. He said: "I had everything to win. It was my biggest race ever." He added that he was out to break that record. "I have been training consistently and it paid off."

The Adams, from Cardiff, took seventh place in the women's 200 metres individual medley and the Scotsman, Gordon Downie, finished sixth in the 200 metres free style.

The United States gained two gold and three silver medals in the opening finals and struck deep into the prize list in the 200 metres women's swimmers.

The race of the night was between two 17-year-olds, Ulrike Tauber, of East Germany, and Kathy Heddy, of the United States. Miss Tauber, defending her title as the world's fastest woman in the 200 metres individual medley, moved more than 100 metres ahead of her American rival over the first 100 metres. But Miss Heddy, from New Jersey, pulled back into the race finishing first in 1:58.19, the Soviet Union.

James Carter, of Scotland, qualified for the final of the men's 400 metres individual medley today by being second in his heat. Carter's time of 4min 40.57sec was the sixth fastest of the eight qualifiers. The world record holder, Anders Hargrett, of Hungary, who is also the defending champion, won his heat in 4min 39.19sec, almost 10sec outside his world mark.

**Men**  
200 METRES FREE-STYLE: 1. T. Shaw (GB), 1:51.04; 2. S. Brinkley (GB), 1:53.56; 3. D. Leigh (GB), 1:53.56; 4. G. Downie (GB), 1:53.56; 5. G. Downie (GB), 1:53.56; 6. G. Downie (GB), 1:53.56; 7. G. Downie (GB), 1:53.56; 8. G. Downie (GB), 1:53.56.

**Women**  
200 METRES INDIVIDUAL MEDLEY: 1. Kathy Heddy (USA), 2:01.19; 2. Ulrike Tauber (GDR), 2:01.19; 3. Kathy Heddy (USA), 2:01.19; 4. Ulrike Tauber (GDR), 2:01.19; 5. Kathy Heddy (USA), 2:01.19; 6. Ulrike Tauber (GDR), 2:01.19; 7. Kathy Heddy (USA), 2:01.19; 8. Ulrike Tauber (GDR), 2:01.19.

**Qualifiers for finals**  
200 METRES FREE-STYLE: 1. K. Heddy (USA), 2:01.19; 2. U. Tauber (GDR), 2:01.19; 3. K. Heddy (USA), 2:01.19; 4. U. Tauber (GDR), 2:01.19; 5. K. Heddy (USA), 2:01.19; 6. U. Tauber (GDR), 2:01.19; 7. K. Heddy (USA), 2:01.19; 8. U. Tauber (GDR), 2:01.19.

**Men**  
400 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 4:40.57; 2. A. Hargrett (HUN), 4:39.19; 3. J. Carter (GB), 4:40.57; 4. A. Hargrett (HUN), 4:39.19; 5. J. Carter (GB), 4:40.57; 6. A. Hargrett (HUN), 4:39.19; 7. J. Carter (GB), 4:40.57; 8. A. Hargrett (HUN), 4:39.19.

**Women**  
400 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 4:40.57; 2. A. Hargrett (HUN), 4:39.19; 3. J. Carter (GB), 4:40.57; 4. A. Hargrett (HUN), 4:39.19; 5. J. Carter (GB), 4:40.57; 6. A. Hargrett (HUN), 4:39.19; 7. J. Carter (GB), 4:40.57; 8. A. Hargrett (HUN), 4:39.19.

**Men**  
800 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 8:40.57; 2. A. Hargrett (HUN), 8:39.19; 3. J. Carter (GB), 8:40.57; 4. A. Hargrett (HUN), 8:39.19; 5. J. Carter (GB), 8:40.57; 6. A. Hargrett (HUN), 8:39.19; 7. J. Carter (GB), 8:40.57; 8. A. Hargrett (HUN), 8:39.19.

**Women**  
800 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 8:40.57; 2. A. Hargrett (HUN), 8:39.19; 3. J. Carter (GB), 8:40.57; 4. A. Hargrett (HUN), 8:39.19; 5. J. Carter (GB), 8:40.57; 6. A. Hargrett (HUN), 8:39.19; 7. J. Carter (GB), 8:40.57; 8. A. Hargrett (HUN), 8:39.19.

**Men**  
1600 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 16:40.57; 2. A. Hargrett (HUN), 16:39.19; 3. J. Carter (GB), 16:40.57; 4. A. Hargrett (HUN), 16:39.19; 5. J. Carter (GB), 16:40.57; 6. A. Hargrett (HUN), 16:39.19; 7. J. Carter (GB), 16:40.57; 8. A. Hargrett (HUN), 16:39.19.

**Women**  
1600 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 16:40.57; 2. A. Hargrett (HUN), 16:39.19; 3. J. Carter (GB), 16:40.57; 4. A. Hargrett (HUN), 16:39.19; 5. J. Carter (GB), 16:40.57; 6. A. Hargrett (HUN), 16:39.19; 7. J. Carter (GB), 16:40.57; 8. A. Hargrett (HUN), 16:39.19.

## Horse show

# A bay of unknown breeding makes a right royal name for himself

By Pamela Macgregor-Morris

Jean Davenport, who rode the 15-year-old thoroughbred All Trumps, to win the Queen Elizabeth II Cup at last year's Royal International Horse Show, retained it yesterday on his younger successor, the bay, nine-year-old Hang On, who stands 15.3 hands. She bought him out of the field four years ago from Harvey Smith, in addition to another which she sold to Christopher Collins as a three-day event horse.

Hang On, whose breeding is unknown, and concerning whose origins Mr Smith retains the usual horse dealer's secrecy, had at the time done nothing but hunt, and he was too strong for the average rider—though not, it is said, for his previous owner.

Seven went clear initially in this women's championship and three survived the first barrier to go against the clock. Mrs Davenport and Hang On, who is inclined to dive into his fences, were clear

from the third time in 43.5sec, and the nearest at the finish was Pamela Davenport with Super Plum who paid the penalty when onward bound at the wall to save 0.4 of a second on the winning time.

Miss Johnson and Speculator seemed certain to deliver the coup de grace, but Speculator stopped for a second look and the final combination and finished third with seven faults.

Earlier, Alvin Schockenoble won his fourth competition in three weeks from his second on Santa Monica, who he beat the Belgian rider Ferdi Teyckens on Exact.

The show jumping judges, having seen a BBC videotape running of the jump-off, say they are satisfied that Rex the Robber's timing was correct. Having watched the run-through of Michael Hickey, Hickey, first to go, for Ireland, in the barrier, they recommended that his time be altered by +10sec.

with a consequent adjustment in his placing. The show committee had announced yesterday that the judges' report has been directed, and Hickey has been dropped from sixth place to 12th. Sir Michael said that Hickey would still receive the £100 that he would have won had he been sixth.

Obviously, mistakes which have been made must be rectified," he said. "This we have done. I am determined that if my show should be unhappy, it was my personal decision that Michael Hickey should receive £100."

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## Golf

# Marks puts millstone round his own neck

By Peter Ryde

Golf Correspondent

The fortunes of matchplay took their usual toll of the establishment yesterday, as the fourth round of the English golf championship was reached at Royal Lytham and St Annes, where the field reduced to 22. John Davies went out to Cladding, making exit with a flourish, and Marks put a millstone early round his own neck which he could never shed.

In the top half of the field, the remaining seed and plays today. Foster, the only other international of any vintage in that half. Not that good young players are lacking. Watts, for example, runner-up last year and captain this year of what promises to be an unusually strong young team.

The United States gained two gold and three silver medals in the opening finals and struck deep into the prize list in the 200 metres women's swimmers.

The race of the night was between two 17-year-olds, Ulrike Tauber, of East Germany, and Kathy Heddy, of the United States. Miss Tauber, defending her title as the world's fastest woman in the 200 metres individual medley, moved more than 100 metres ahead of her American rival over the first 100 metres. But Miss Heddy, from New Jersey, pulled back into the race finishing first in 1:58.19, the Soviet Union.

James Carter, of Scotland, qualified for the final of the men's 400 metres individual medley today by being second in his heat. Carter's time of 4min 40.57sec was the sixth fastest of the eight qualifiers. The world record holder, Anders Hargrett, of Hungary, who is also the defending champion, won his heat in 4min 39.19sec, almost 10sec outside his world mark.

**Men**  
200 METRES FREE-STYLE: 1. T. Shaw (GB), 1:51.04; 2. S. Brinkley (GB), 1:53.56; 3. D. Leigh (GB), 1:53.56; 4. G. Downie (GB), 1:53.56; 5. G. Downie (GB), 1:53.56; 6. G. Downie (GB), 1:53.56; 7. G. Downie (GB), 1:53.56; 8. G. Downie (GB), 1:53.56.

**Women**  
200 METRES INDIVIDUAL MEDLEY: 1. Kathy Heddy (USA), 2:01.19; 2. Ulrike Tauber (GDR), 2:01.19; 3. Kathy Heddy (USA), 2:01.19; 4. Ulrike Tauber (GDR), 2:01.19; 5. Kathy Heddy (USA), 2:01.19; 6. Ulrike Tauber (GDR), 2:01.19; 7. Kathy Heddy (USA), 2:01.19; 8. Ulrike Tauber (GDR), 2:01.19.

**Qualifiers for finals**  
200 METRES FREE-STYLE: 1. K. Heddy (USA), 2:01.19; 2. U. Tauber (GDR), 2:01.19; 3. K. Heddy (USA), 2:01.19; 4. U. Tauber (GDR), 2:01.19; 5. K. Heddy (USA), 2:01.19; 6. U. Tauber (GDR), 2:01.19; 7. K. Heddy (USA), 2:01.19; 8. U. Tauber (GDR), 2:01.19.

**Men**  
400 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 4:40.57; 2. A. Hargrett (HUN), 4:39.19; 3. J. Carter (GB), 4:40.57; 4. A. Hargrett (HUN), 4:39.19; 5. J. Carter (GB), 4:40.57; 6. A. Hargrett (HUN), 4:39.19; 7. J. Carter (GB), 4:40.57; 8. A. Hargrett (HUN), 4:39.19.

**Women**  
400 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 4:40.57; 2. A. Hargrett (HUN), 4:39.19; 3. J. Carter (GB), 4:40.57; 4. A. Hargrett (HUN), 4:39.19; 5. J. Carter (GB), 4:40.57; 6. A. Hargrett (HUN), 4:39.19; 7. J. Carter (GB), 4:40.57; 8. A. Hargrett (HUN), 4:39.19.

**Men**  
800 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 8:40.57; 2. A. Hargrett (HUN), 8:39.19; 3. J. Carter (GB), 8:40.57; 4. A. Hargrett (HUN), 8:39.19; 5. J. Carter (GB), 8:40.57; 6. A. Hargrett (HUN), 8:39.19; 7. J. Carter (GB), 8:40.57; 8. A. Hargrett (HUN), 8:39.19.

**Women**  
800 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 8:40.57; 2. A. Hargrett (HUN), 8:39.19; 3. J. Carter (GB), 8:40.57; 4. A. Hargrett (HUN), 8:39.19; 5. J. Carter (GB), 8:40.57; 6. A. Hargrett (HUN), 8:39.19; 7. J. Carter (GB), 8:40.57; 8. A. Hargrett (HUN), 8:39.19.

**Men**  
1600 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 16:40.57; 2. A. Hargrett (HUN), 16:39.19; 3. J. Carter (GB), 16:40.57; 4. A. Hargrett (HUN), 16:39.19; 5. J. Carter (GB), 16:40.57; 6. A. Hargrett (HUN), 16:39.19; 7. J. Carter (GB), 16:40.57; 8. A. Hargrett (HUN), 16:39.19.

**Women**  
1600 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 16:40.57; 2. A. Hargrett (HUN), 16:39.19; 3. J. Carter (GB), 16:40.57; 4. A. Hargrett (HUN), 16:39.19; 5. J. Carter (GB), 16:40.57; 6. A. Hargrett (HUN), 16:39.19; 7. J. Carter (GB), 16:40.57; 8. A. Hargrett (HUN), 16:39.19.

**Men**  
3200 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 32:40.57; 2. A. Hargrett (HUN), 32:39.19; 3. J. Carter (GB), 32:40.57; 4. A. Hargrett (HUN), 32:39.19; 5. J. Carter (GB), 32:40.57; 6. A. Hargrett (HUN), 32:39.19; 7. J. Carter (GB), 32:40.57; 8. A. Hargrett (HUN), 32:39.19.

**Women**  
3200 METRES INDIVIDUAL MEDLEY: 1. J. Carter (GB), 32:40.57; 2. A. Hargrett (HUN), 32:39.19; 3. J. Carter (GB), 32:40.57; 4. A. Hargrett (HUN), 32:39.19; 5. J. Carter (GB), 32:40.57; 6. A. Hargrett (HUN), 32:39.19; 7. J. Carter (GB), 32:40.57; 8. A. Hargrett (HUN), 32:39.19.

made a good start at it by putting his tee shot at the ninth two inches from the hole, but having got back to two down, Godwin would allow him no more. Marks had to hole from the fifth to keep the match alive at the 11th. Godwin was firmly on the 17th green with a three-wood second to close the door.

Leading, at 59, still a formidable figure in the Surrey team and an occasion rival in the county championship, found out. Davies put in a rousing finish but it came too late. Just a one iron on to the 15th green seemed incredible even though the wind may have strengthened later and made it a wonderful golfing day. A three at the 16th and a long putt for another at the 17th by Davies reeled the match back to one down. The bunker shot from beside the 15th looked as though it might make another three, but Gladding took it through, holing from four feet. The half was over with a reaction in the afternoon reaching the turn with eight pars and one shot dropped to be two up on Scholes. The only other international to compare with this seems to have been from Johnson who won the last four holes against Garrett in 4, 3, 2, 4.

Dickinson's victory over Kelley was the more significant because opportunity seemed to lie ahead

for the winner in that top quarter. Kelley was four down after eight holes at which point Dickinson was one under par but he got back into the fight by winning the ninth and 10th, and also the 11th. Dickinson had won the 11th. Generally speaking the home half favours the stronger player, but there was no such clear-cut advantage between the two. Dickinson is estimated to have played 105 matches for Lancashire, and he looked thoroughly at home in the Surrey team.

Kelley missed what appeared to be a crucial putt on the 13th, and looking back it may be the stroke he now most regrets, unless it be his failure to attack the 18th hole with a driver. Three down with five to play, Kelley won back the 14th with a four when Dickinson missed a putt on the 15th. Dickinson took three putts. By the 16th the match was square. Kelley backed pitched to one foot.

By taking three from the back edge of the 17th with his opponent bunkered in three. At the 18th Kelley took a one-iron from the tee as his opponent, Dickinson with another good drive gained 30 yards on him. Dickinson also played a well controlled putt after Kelley had rolled his ball into a bunker. An anxious moment as he left his first putt depressingly short.

Another painful reminder from Geoffrey Boycott that he is fit and from above was the foundation of a successful Yorkshire day. In the four and a half hours that he was at the wicket, he played and missed 10 balls, and he was well wide of the off stump, was rapped on the pads once, and had a thick edge which went for

Otherwise, there was not a blip in his concentration, a bit of a whiff of a chance, never a hint of excess. A scowl of annoyance creased his face when he was at last sent back to the pavilion after a similar and unacknowledged judgement of the applause. It was not exclusively Boycott's day. Abbeville Park, green, leafy and gentle, had a soft wind out in the middle and the slopes of the outfield, had its own charm.

Lumb played the only available opening with Boycott, secondary and sensible. A stay of three days, played in a wind out on an easy wicket is far from swinging the bat, but his was an unequal share of the strike. Hampshire put the point in when Nottinghamshire were down with a confident 60, his 50 taking an hour and the 100 partnership with Boycott coming in 24 overs. Love, aged 20, played his second championship score, showed some confident shots.

Boycott, naturally, claimed most of the attention. It was easy to sympathize with Stead who tried to place a fourth stump in the ground after lunch. To give the batsmen a rest, he is fully fit and in which his driving off his legs down the slope was worth the effort.

To add to Nottinghamshire's problems, Latchman put his bowling hand in the way of a fierce pull by Lumb. Three stitches in the forefinger means it will be the last time he is fully fit. But at least Harris and Hassan coped successfully with the 35 minutes' batting left them at the end before rain dropped in.

Yorkshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Nottinghamshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Warwickshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Leicestershire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Derbyshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Somerset: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Worcester: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Northants v Sussex  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Glamorgan v Derby  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Under-25 competition  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

## Cricket

# Australian citadel is bombarded

By Alan Gibson

Cricket Correspondent

MANCHESTER: The Australians, with five first innings wickets in hand are 152 runs behind Lancashire.

The crowd at Old Trafford was smaller than it would have been for an important one-day match, but large as a Sunday cricket goes today, especially in cloudy and showery weather. They enjoyed a good contest in which Lancashire withstood with some success the full assaults of Thomson, Liles and Gilmore, and then in the last hour scored a century with a bombardment of their own.

The Lancashire score was better than it looked. The pitch was not quick enough to be really awkward, the outfield was so slow that many firmly hit strokes sailed over the boundary, and the Australians (and in turn Lancashire) sacrificed fewer runs than usual by their clutch of slips, gully and short leg.

The first batsman to depart was Wood, who was hit on the head trying to hook Gilmore, when he was out. He had some wickets put in and returned at the fall of the third wicket, thereafter playing well and aggressively. He had a good innings as an England batsman at least no harm, and I suppose the same negative comment might be made to David Lloyd, who had scored a brave 27 when he was caught and bowled by Gilmore.

The disappointment was Gilmore, who had been looking in touch. The Lancashire batsmen did not run away from the fast bowlers. They did their best to keep the ball in the air, the safety of the ring, and get into line. It was just that the bowlers were too good.

Lloyd, who hooked and cut Thomson for six and four in an over, and then hooked and drove Gilmore, found Thomson's fast bowling too much for him. He was out for 11 runs, but his off stumpings for three.

From the revived Wood, Reidy and Engineer held the innings together. Reidy, the left hander, one of the increasing famous Young Cricketers' side who toured the West Indies in 1972, had to face Liles, with accompanying fast bowling.

He hit him well once or twice, but again it was the bowler who settled the argument. Reidy was after this. From where I was sitting, the point of his turn at the end of his approach gave me a line on an advertisement for Ferguson, one of the players on the palms. He started at the end and went back to the P. He was into the Benson and Hedges poster next door by the time Reidy was out.

The Australians lost five wickets for 37 runs. It was a surprising collapse. I could not see any difference in the pitch. The light was bad when the sun came out. Lever and Lee certainly bowled well, but there was also some casual batting. The Australians

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Nottinghamshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

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Leicestershire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120.

Derbyshire: First Innings  
R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boycott, b. W. L. Williams 120; R. G. Boy



















## ENTERTAINMENTS

When telephoning use prefix 01 only outside London Metropolitan Area

## OPERA AND BALLET

**THE ROYAL BALLET** 8.10 10.06  
The Royal Ballet, London, presents a new production of *The Sleeping Beauty* by Tchaikovsky. The story is based on the fairy tale by Charles Perrault. The ballet is a masterpiece of classical ballet. The Royal Ballet is one of the best in the world. It has a long history and a reputation for excellence. The Royal Ballet is a company of artists who are dedicated to the art of ballet. They have created many beautiful productions and have won many awards. The Royal Ballet is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of ballet.

## CONCERTS

**SUMMER AT SNAPE MALTINGS**  
The Snape Maltings, Suffolk, presents a series of concerts during the summer months. The concerts are held in the beautiful Snape Maltings, which is a Grade I listed building. The concerts are a mix of classical and contemporary music. The Snape Maltings is a company that is committed to the art of music. It is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of music.

## THEATRES

**ADRIAN THEATRE** 8.10 10.06  
The Adrian Theatre, London, presents a new production of *The Merchant of Venice* by Shakespeare. The story is based on the play by Shakespeare. The theatre is a company of artists who are dedicated to the art of theatre. They have created many beautiful productions and have won many awards. The Adrian Theatre is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of theatre.

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## THE ARTS

## Stephen Arlen Bursary

## awarded

The winner of the first Stephen Arlen Bursary is Miss Jane Glover, who gains an award of £750 for six months' travel in Italy to do research in Italian libraries and compile a glossary to be used in the future performance of Baroque opera. The presentation will be made by Director of the English National Opera, at the London Coliseum on August 20.

The Stephen Arlen Bursary will be awarded periodically for the development of a person aged between 20 and 30 resident in the United Kingdom and following a career in any branch of opera, music, drama and ballet. The bursary will be awarded to the person who submits the most imaginative programme of further study (in the widest sense of the word).

Miss Glover was selected from the 28 applicants because it was felt she would be a musician of enormous accomplishment and promise in the highly specialized field of seventeenth-century Venetian opera.

## CINEMAS

**THEATRE CENTRAL** 8.10 10.06  
The Theatre Central, London, presents a new production of *The Merchant of Venice* by Shakespeare. The story is based on the play by Shakespeare. The theatre is a company of artists who are dedicated to the art of theatre. They have created many beautiful productions and have won many awards. The Theatre Central is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of theatre.

## EXHIBITIONS

**BRITISH ANTIQUES FAIR** 8.10 10.06  
The British Antiques Fair, London, presents a new exhibition of antiques. The exhibition is a collection of antiques from the 17th and 18th centuries. The fair is a company of artists who are dedicated to the art of antiques. They have created many beautiful exhibitions and have won many awards. The British Antiques Fair is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of antiques.

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## EXHIBITIONS

**BRITISH ANTIQUES FAIR** 8.10 10.06  
The British Antiques Fair, London, presents a new exhibition of antiques. The exhibition is a collection of antiques from the 17th and 18th centuries. The fair is a company of artists who are dedicated to the art of antiques. They have created many beautiful exhibitions and have won many awards. The British Antiques Fair is a company that is proud of its heritage and its achievements. It is a company that is committed to the future of antiques.

## Richard Attenborough's quest for an Indian grail

Richard Attenborough first met Joe Levine in 1962. That was the year he decided he wanted to film the life of Gandhi and was looking for backers, a quest which over the past decade has become for Attenborough rather like the search for the Holy Grail.

"Even then I knew that the money was not going to come from conventional Hollywood sources. I needed a totally independent impresario, a cavalier. Joe Levine was one of the few remaining members of that dying breed and when I found out he was in London I simply talked my way into meeting him at Claridge's. He agreed almost on the spot to put up the money. I flew to India and with the help of Lord Mountbatten got the approval of Pandit Nehru. It looked as though we were going to start. But then came one of those financial snarls the film industry knows all too well and Gandhi was off. Twice since then Joe has reentered the lists and twice we've announced that we'll do the picture."

Always, though, there has been a snarl. Earlier this year Richard Attenborough was in Los Angeles inevitably trying to tie up the backing for Gandhi which had found a number of British backers, when a call came through from Levine at the Beverly Hills Hotel.

"I went up to his apartment and he opened the door crying 'Look what I've got!' and waving a copy of Cornelius Ryan's *A Bridge Too Far*. Joe had been a friend of Ryan's for some time. Ryan worked for seven years on his account of the Arnhem landing and he

sent Joe the partly finished manuscript. Ryan was already ill at the time and Joe went to see him in hospital. He went up to Ryan's bed and said 'You've got to finish this quick. I want it. Ryan lifted his eyes to the heavens and said, 'You can bloody wait, you bugger. As you know Cornelius Ryan only just lived to see the publication.

"Joe asked me then and there to direct *Bridge* for him adding characteristically 'Forget that B picture of yours. This is the big one.' I said no. I was near to getting a reasonable financial deal for *Gandhi* and that was what I had been working towards for the past dozen years. Joe doesn't often accept refusals and he said that he would call me one day to see what progress I had made in getting *Gandhi* on to the floor. And this he did. The fifth call came on the day we had hit another financial snag on *Gandhi*. Joe said 'I knew you would. Are you going to do *Bridge* for me now?' I agreed."

Attenborough was brave to hold out as long as he did. There were probably half a dozen other major film directors waiting for a summons from Levine. But two rewards have come from his obstinacy. The first is that Levine has guaranteed the money for *Gandhi* to be made after the completion of *A Bridge Too Far*. The second is that *Bridge* will be classified as a British film and that means that 80 per cent of the labour costs will go to Britain.

"We're working on a budget of \$15m, which is probably the biggest single sum of money to have come into the industry here since David Lean made *Ryan's Daughter*. We've managed to survive here on the success of *Murder on the*



Richard Attenborough, which has encouraged EMI to finance other pictures. Without that we would have been out of our ear. But Joe has certainly made a gesture of confidence in our ability to make films. If we succeed then it could be the beginning of a return of American capital."

On the Sunday after that fifth telephone call Levine arrived in London. The next Thursday he and Attenborough got agreement from Prince Bernhard on the rebuilding of the original Arnhem on the banks of the Oude. Shooting is scheduled to start next April and the fully cut version of the film is expected by June '77. On the assumption that *Gandhi* takes a similar time to make Attenborough will be off

the screen and behind the camera by the next four years.

Richard Attenborough has appeared in any number of films about the Second World War. Will this be of any use when he starts directing one of them?

"I'll have learnt, I hope, from the shortcomings of many of them. Those pictures were, of necessity, tailored to what was acceptable at the time. Of course the days of false heroism are long since gone. Television removed that by putting Vietnam on our screen evening after evening: most of the population now has a fair idea of what war is like. No, I'd go back for a start to the footage made by the RAF Film Unit, in which I served for a time. Those cameramen caught the moment in every sense of the phrase—there was no way of staging it a second time. We too will be trying to seize the moment."

"I'm fascinated by the way Arnhem encapsulated within a period of ten days the whole of war from the rows between Patton, Eisenhower and Montgomery to the character of the men who made the landing. There is the cruel disaster of it all: the British, dogged, unquestioning and incredibly brave; the Americans, uninhibited, full of bravura and unmatchable courage. I'm fascinated too by the challenge of making the first major war movie for quite a long time. There's the whole change in our attitudes to language and emotions of the last few years to be taken into account."

In Richard Attenborough looking for the kind of breakthrough Norman Mailer made with *The Naked and the Dead* in 1949?

"It could be."

John Higgins

## The lure of Piccadilly and then—murder

## Johnny Go Home

## Yorkshire

## Leonard Buckley

Sated with the homeless, our eyes glazed by all the teenage mothers, we turn with scarcely a single shudder these days from the social documentaries to the cricketer scores or to Mr Scargill. Television has shocked us all too often.

So it almost proved on Tuesday night. In the first part of this programme we followed two of the thousands of children who drift to Piccadilly. John Willis caught well the bizarre amalgam of bright lights and amusement parlours, of dog, aimlessness and vice. But we had seen it all before. And if we felt sorry for the children they were scarcely sorry for themselves. For these were the precocious outcasts of our permissive society. Already they were practised squatters, batteners on their wits and the Welfare State.

They might have provided no more than a passing prick to our conscience. Who, after all, now remembers poor Gale, the young drug addict whom the BBC brought before us even more poignantly long ago? Like hers, this programme of Annie and Tommy might just have come and gone. But its second part brought fresh horror.

Out of the very group of makeshift hostels for youngsters in which we had seen Tommy take refuge there emerged most hideous murder. The story was true. Riveting and revolting sequences from their own records became a gruesome tribute to the police and their forensic colleagues who have to clear up society's mess.

Nor was that all. The selfsame welfare organizer whom we had watched as he offered aid to Tommy turned out to be a pervert. He is now back in jail. It beggared belief that he could have won all the public support he did for the so-called charity that cloaked his nastiness and netted him a fortune. But we heard enough bland disclaimers from the authorities concerned to guess that if the matter had been pursued it would have turned out, as it did with Albert and the Lion. That no one was really to blame. Such is our official hypocrisy.

Mercifully, we were spared the comments of television's instant experts. Though even they might have been silenced by what we saw. Instead, we went back to Piccadilly with the information that the children who drift there are getting younger every year. And so we came at last to Johnny of the title. We watched this tousle-headed drop-out as he threatened his way alone, the pavement. Tommy at least, we knew, had been aged 14. Johnny is just 11.

Charles de Gaulle once in a moment of exasperation asked what in the world one could do with a people that produces more than 300 different kinds of cheese. Such individualism characterizes most things French. God bless them, including the annual music festival outside the city of Tours known as the Fêtes musicales en Touraine.

Tours carries non-resident managers so far that its director *de facto*, if not *de jure*, lives in Moscow: Sviatoslav Richter. In addition to dominating the festival as a pianist, he also has final approval of all other artists appearing there. If this means an unpredictable standard, at least it means a high one.

Probably enough, Richter, although a Soviet citizen, actually did originate this festival in the area known as "the garden of France" (Alexander Calder shares at least one affinity with Richter: Calder lives in the country nearby.) While touring, Richter had succumbed to the charm and beauty of the Touraine, but he personally found the celebrated castles of the Loire valley too ornate as settings for music. This year's festival, took place outside Tours in a barn, but a barn with quite a difference: Catholic monks built *la grange de Meslay* in

the twelfth century out of massive stone blocks, and it ranks today as a national architectural monument.

Richter takes an even dimmer view of his colleagues than do most pianists. He dismisses one man, generally regarded as virtually immortal, by saying: "I can't warm up to his playing," but wild horses will not extract the name from me. The pianists scheduled for this year's festival—Michelangelo, Pálenček, Pollini, Pressler, Eschenbach—may justifiably throw out their chests a bit, secure in the knowledge that they bear the Sviatoslav Richter seal of approval.

Michelangelo opened the festival, but not in top form. He rendered one sonata, Beethoven's op 26, downright boring, and another, Schubert's posthumous A minor, merely prosaic, while three Debussy images (a last-minute substitution for Ravel's *Gaspard de la nuit*) showed little imagination except when deliberately violating Debussy's unmistakable printed instructions. Only Chopin's funeral-march sonata showed this peculiar artist in his best light.

From Prague came Josef Pálenček in one of his specialties, Janáček's complete piano works in a single programme, assisted in the *Concertino* and the left-hand *Capriccio* by outstanding instrumentalists from

the Czech Philharmonic. Attitudes towards Janáček tend to polarize, but for those of us who love him, Pálenček's artistry and insight provided a richly pleasurable occasion.

An automobile accident prevented Pollini's appearance, but his short-nosed substitute, the young Hungarian Zoltán Kocsis, enjoyed a triumph. After the Beaux Arts Trio's brilliant success in Beethoven, Ravel, and Schumann, another member of the trio—the violinist Isidore Cohen or the cellist Bernard Greenhouse?—heard Richter deprecate Menahem Pressler's nervousness by saying generously, "You played that music better than I do."

Christoph Eschenbach joined the violinist Sashko Gavrilov in Berg's Chamber Concerto with the Ensemble Musique Vivante conducted by Pierre Boulez, who dominated the second half of the festival. Contemporary composers got a generous hearing, with Boulez in charge of Luciano Berio's *Labirinto* and Diego Masson conducting works by Globokar and Kagel, with Cyltus Gortwald's Stuttgart Schola Cantorum handling the choral parts.

Richter himself played twice, an all-Beethoven recital (including the huge *Hammerklavier* sonata op 106) in the barn, and a Bach programme in Meslay's village church in memory of late friends of this festival. Those include David Oistrakh, who a few years ago invited Richter in the barn here for an unforgettable evening of sonatas.

Paul Moor

## Lifelessly respectful Goethe

## Iphigenia in Tauris

## Open Space

## Irving Wardle

The Goethe Institute is a welcome patron on the London theatre scene, but as a salesman of the German classics it must so far be reckoned a washout. Last year's experimental massacre of Schiller's *The Robbers* at the Round House is now followed, hot from its run at Manchester University, by a lifelessly respectful version of Goethe's *Iphigenia* translated and directed by John Prudhoe, Manchester's Professor of Drama.

From Professor Prudhoe I learn that Goethe spent seven years completing this play and that no less an authority than Professor Allardyce Nicoll views it as "perhaps . . . Goethe's most successful theatre work". (There is an essay to be written on that phrase "perhaps the most".) But it would be foolish to offer any judgment on the piece from this production.

Perhaps the most one can say for Professor Prudhoe is that he had a tough job, as Goethe was busy rescuing German drama from rude provincialism and setting up a fresh standard of elevated stage etiquette: which is to say, precisely the reverse of our own headlong flight from official culture. But one cannot lay all the blame on Goethe for the total failure of a story as good as *Iphigenia*'s to hold the attention.

Miraculously saved from sacrificial death and spirited to Tauris as Diana's priestess, she spends the Trojan war in cold storage, awaiting a reunion with Agamemnon. Then Orestes arrives, the Furies at his heels, and brings her up to date with the blood-curdling news from Thebes. The plot, in short, embraces the entire Aetean myth from the ancestral feast to the murder of Clytemnestra, and culminates in a present situation of impassioned reunion and divided loyalty which is all the more highly charged through the absence of bloodshed.

Goethe evidently saw the story in terms of moral abstraction: in one sense a conflict between idealism and human compromise, and in another a collision of absolutes within the heroine herself (she is both Diana's priestess and Orestes's sister). At least, from the present performance it is impossible to discuss the piece in anything but abstract terms. One might, for instance, expect to see a formidable religious official shocked back into human feeling by receiving her brother as a sacrificial victim. But not in Sarah Long's anonymously quiescent reading. Generalized eloquence is the approach of the whole cast, including Edgar Wreford's Thoas. Their voices rise in crescendo when they retail horrors, while hearers avert their eyes. Joy, dread, ecstasy, threat, are all registered by a system more akin to pulling out organ stops than presenting the response of character to situation.

The translation, couched in long sentences of regimented iambs, where an elevated tone and self-cancelling assonances like "peerless heroes" and "deeply steeped" take the place of concrete imagery, completes the lulling effect. Alan Barlow contributes a dignified set in plausible mock-marble.

## Mozart duo

## David Ward/Noel Skinner

## St John's, Smith Square

## Joan Chissell

A well-known painting of the Mozart family around 1780-81, with Wolfgang and Nannerl seated side by side at the keyboard, helps to explain Mozart's interest in music for four hands: many of his earliest memories of music-making throughout Europe were with his five-years-older sister as partner. Dividing their programme between music for piano duo and the only two works this composer wrote for

two pianos, David Ward and Noel Skinner drew an encouraging large audience to St John's, Smith Square, on Tuesday, despite the fact that keyboard duets (even Mozart's) are often considered more fun to play than to listen to.

Plainly every note in the recital had been painstakingly weighed and measured. But whether there was enough immediacy and vitality in the playing to lift out the unconverted was open to question. The best-known work, the D minor sonata for two pianos (K.468), most notably needed more tonal succulence as well as a stronger sense of direction. Though the *molto allegro* finale was taken well up to time, with some pointed

contrasts of soft and loud, too much tension was sacrificed whenever the players lightened their touch.

Clearly as contrapuntal felicities were exposed in the C minor Fugue for two pianos, K.426, this, too, lacked sustained drive and tension; again too much wind was let out of the sails when the dynamic range was lowered.

As a duo, Mr Ward and Mr Skinner were good in timing, less so in tonal balance. Mr Ward often seemed to be restricting his dynamic range to that of a fortepiano whereas Mr Skinner enjoyed the sonority of a pianoforte. This was particularly noticeable when Mr Ward was *primo*, as in the C major sonata for piano duo, K.521. In the F minor Fantasia (originally for mechanical organ), Mr Skinner took the lead and called a firmer tune. In sum, a duo who will achieve much more if instead of calculating every detail they allow the music to possess them.

Some of the notices on this page are reprinted from yesterday's later editions.

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Bernard Levin

# The doctor whose name we must never forget

A few months ago I wrote several columns about Dr Mikhail Stern, a popular and hard-working Jewish physician from Vinitsa, in the Ukraine, who was sent to a concentration camp because his two sons had applied for permission to emigrate from the Soviet Union. As there have been a number of developments in the case since I last wrote—the younger son, August, has got out, for instance, and I have met and talked to him, and also seen a detailed analysis of the trial itself (a complete transcript is now in the West, and I hope will be published in English)—I think it is time to return to the subject. A recapitulation may be useful. Dr Stern is a distinguished endocrinologist, Director and Senior Consultant of the Vinitsa Polyclinic. In 1961, during a previous wave of Soviet anti-semitic persecution, he was arrested and sentenced to five years in prison for "harmful to the state" because he was himself then accused of child-murder, and although the child he was supposed to have murdered, and her mother, were to the paper that had published the accusations, thanking Dr Stern for saving the child's health (the letter was not published, of course), he was from then on marked down for Soviet vengeance.

At the end of 1973, Dr Stern's two sons applied to emigrate. He was then arrested and, after

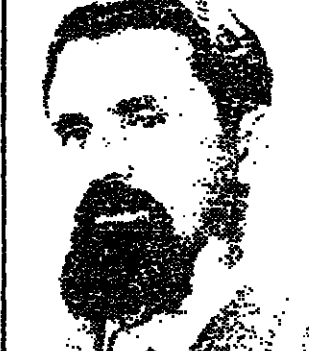
refusing to bring pressure on them to withdraw their application, was kept incommunicado for over seven months, five of them in an underground cell; meanwhile, the Soviet authorities had the Sterns' house ransacked and stole much of their property. Two thousand of Dr Stern's patients, whom he had seen over a period of more than 10 years, were interrogated; it says much for the esteem in which he was held that despite all the pressure only some 40 of them agreed to bear false witness against him, and many of these subsequently withdrew it, in some cases at the trial itself. The preliminary proceedings were riddled with countless flagrant violations of Soviet law, but of course all protests on this score were ignored. (Mrs Stern, applying to visit her husband, was told that she could not do so until "after sentence".)

Throughout his seven months in prison, Dr Stern was never even told what he was to be charged with, and this was the most sinister aspect of all. For it transpired that one witness had agreed to accuse Dr Stern of child-murder, and it began to appear that the Soviet authorities were going to bring up the old, refuted accusation and with it revive the dreadful "blood trial" discussed in the *Evening Standard* for centuries, by which Jews were accused of killing children for ritual prac-

tices. At the last moment, possibly because of the outcry in the West (Dr Sakharov and the Stern family had appealed for protests throughout the world), the doctors back and Dr Stern was accused instead of such offences as swindling and demanding money for treatment supposed to be free. A fortnight before the "trial" began, a full account of the proceedings, including excerpts from the prosecution evidence and indeed virtually everything but the sentence, was published by the Soviet authorities under the name of Boris Annanov, a hack who specialises in anti-semitic propaganda. (I have just read his latest, in which he has even dared to pretend that the anti-semitism is really anti-Zionism.) Then, despite the fact that much of the prosecution evidence collapsed, and that the proceedings violated Soviet law even more grossly than had the preliminary investigations, Dr Stern was sentenced to imprisonment in a "special" concentration camp. His appeal was, of course, dismissed.

Detailed examination of the proceedings, which has only now become possible, throws some revealing light on what passes for justice in the Soviet Union. Take first the Guzhva episode. A Mrs Guzhva had had an operation (not conducted by Dr Stern, who is not

**Dr. Mikhail Stern:  
The world that ceases  
to care about a  
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this man deserves to  
suffer the same fate**



a surgeon) in which, by mistake, her parathyroid gland was removed. She and her husband consulted Dr Stern, and he was accused of demanding money from the couple as the price of getting her admitted to hospital. The facts are that Dr Stern could not either ensure or prevent such an admission: it was given in evidence that any doctor can recommend admission, and the decision is taken by the medical authorities in the appropriate department, not by the Polyclinic Director. Moreover, it was alleged that Dr Stern had been responsible for Mrs Guzhva's condition, whereas he had had nothing to do with it (the medical evidence made clear); Guzhva, who

had got 50 roubles from his mother-in-law, had claimed that this was the money he needed to pay Dr Stern before his wife could go to hospital, but the mother-in-law testified that he had borrowed the money after his wife had been admitted to hospital; the Guzhvas alleged that Dr Stern had recommended that she should become pregnant as a cure for her condition, a suggestion that could not be made by even the most ignorant quack (pregnancy cannot replace a missing parathyroid gland), and in any case Mrs Guzhva's gynaecologist had noted laconically on his account of her case: "Got pregnant without consulting an endocrinologist." But Dr Stern was found

guilty on this count. Another illuminating episode in the trial was that of Reserve Officer Garmasov. Dr Stern was accused of deliberately giving a wrong diagnosis of thyroid disorder in this case, for money, so that the officer could avoid call-up for army reserve service. But Garmasov admitted that he did have a thyroid disorder, and had been treated for it for many years, starting long before he met Dr Stern. Moreover, pre-trial medical examination of him by the authorities had confirmed Dr Stern's diagnosis; the results of this examination were, however, concealed from Dr Stern and his lawyer. He was found guilty on this count, too.

A third case was perhaps the most revealing of all. It concerned two sisters; it was alleged that Dr Stern had demanded money from them before he would agree to treat their seriously ill mother. Before the trial the two sisters made a written statement in which they said: "We did not have to buy over Dr Stern in order to get treatment for our mother." Asked why they had made that statement, they were not at all clear that they had had to say the candid reply was: "When we wrote this statement we did not know that the Soviet authorities would be interested in this case." Dr Stern was found guilty on this charge also.

Dr Stern is now in a concentration camp of the worst kind: he was a sick man before he was arrested, and the seven months of solitary confinement and ill-treatment made him worse; he is unlikely to survive his eight years' sentence. As we know from appeals inside the Soviet Union and from those who have managed to get out, the onus is on keeping the regime from increasing the terror even further in publicity; conversely, the thing the victims most fear is that they will be forgotten outside, so that their persecutors will throw off the later restraints. It was a moving experience to talk to August Stern, and hear him quietly and unemotionally describing the barbarities of the four savages who rule the Soviet Union, in which he is now a prisoner, speaking to his mother. (With remarkable good luck—for the Soviet authorities are now making it more and more difficult for Jews or dissidents to speak to the outside world—we got through in a very short time.) Jewish mothers, incidentally, do not cease to be Jewish mothers merely because their husbands are being slowly murdered: the first question they asked when August passed the phone of the camp was: "How does he look?" A few days later I got a letter from August. It reminded me, among other things, of the reason why his

father is behind bars. "On the day after my father's arrest," he wrote, "the Procurator V. Kravchenko declared to my brother: 'The preparation of an accusation against Mikhail Stern is connected with the desire of your family to emigrate'."

Victor has been told that, too, may now leave, but course will not do so while father remains in the concentration camp; indeed if he does it would virtually break the Sterns' lifeline with the outside world, and leave him rot till he died. Protests have been made by Western doctors (the physicians have behaved better than the psychiatrists but not for some time now, again, we know from the inside), but unless pressure is continuously applied it is hard to have any effect at all, indeed one of the forms of pressure applied to the suffering in Soviet prisons are concentration camps, and the suffering for the same, to persuade them to recant. It is an argument that the outside world does not care about them, or has ceased to do so. My own view is that a world that ceases to care about a case as dreadful and indefensible as the persecution of Dr Mikhail Stern deserves to suffer, *mutatis mutandis*, the same fate and will in time do so.

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## The last SOS of a grand old school

On either side of the railway line just south of Clapham Junction stand two large notices. Red letters on white boards are accompanied by cross-drawings which look like quill-penns. They say simply: **SAVE OUR SCHOOL!** Save our school—SOS—is the last desperate signal from the masters at the nearby Emanuel School, Wandsworth, for help from anyone passing through Europe's busiest railway interchange.

Emanuel School was founded in Westminster as an almshouse and school for "twelve poor folk" and their families in 1794 by a cousin of Queen Elizabeth I. It is now a voluntary-aided grammar school for 870 boys selected from the top 30 per cent of the ability range.

Although the authority pays 85 per cent of the running costs, the school gives the children of the surrounding area some of the taste of the grander public school ethos. It has an imposing long drive, a swimming pool, and playing fields (some miles away at Raynes Park).



Mr St. John-Stevens, Tory spokesman on Education, receives a petition from parents of pupils at Emanuel School.

**Rowers are  
'head  
of the river'**

It moved into its present rambling Victorian Gothic structure in 1883. Some of the entrances to the classrooms are on the second and third floors from metal fire escapes overlooking a grassy green quadrangle. The school has a chapel, a cadet force and corporal punishment. It is a famous rowing school and is currently "head of the river". Masters, parents, old boys and pupils have organized rallies, demonstrators and rallies of Parliament. The school's rowing rights set off from their boathouse at Barnes with a petition to County Hall recently.

Last week the boys ran in relays through the streets of South London with petitions from the masters in 18 different languages.

But the most impressive support so far has come over the past four weeks from the neighbourhood. A canvass of 10,000 people in the Labour strongholds of Battersea North, Battersea South, Tooting and Putney, has shown that 97.5 per cent of the people favour the school remaining as it is—a selective school.

The alternatives are either to a independent, charging fees which will put the school above the pockets of most of the neighbourhood, or to become a small comprehensive school. The school's governors have reluctantly decided that it should go independent. The staff have even more

reluctantly agreed although quite a few of them are Labour supporters.

Mr Paul Craddock, head of modern languages and a life-long socialist, drove a loud hailer van through the neighbourhood every day last week and then for good measure he drove it seven times round County Hall.

"I hoped that the walls—like those of Jericho—might tumble down. How often must people tell them that their educational policies are anti-social? They are destroying the chances of good education for thousands of children, many from working class homes in London."

The campaign by the staff really started last October after a meeting at County Hall with Dr Eric Briault, the authority's education officer. "We were told," said Mr Craddock, "that if we became a comprehensive, the school would no longer be able to go on offering the smaller special subjects. We would not be able to teach senior boys Russian, German, Latin or Greek. French could only be taught to a modest level, not as far as A level. There would be only a basic science course. We were also told that the staff at the

school would have to be retrained. But we have not been able to get any more details about this."

About three or four boys every year do Latin and Greek at A level and about four or five and sometimes as many as 10 each year study Russian in the sixth form. Many more learn German.

Mr Michael Kay, a mathematics teacher, Bramall, Dr Briault and others who have never even visited the school have put it about that we are an elitist school full of upper middle-class children from Croydon and Putney. This is not true. We have here an ordinary working class children an excellent education."

**Dockers,  
railmen and  
gardeners**

A list of the 870 boys at the school show that they come mainly from Putney, Wandsworth, Battersea, Balham, Streatham and Tooting. About 25 come from Croydon and a scattering from Sutton and Cheam. Another 25 are from Surrey, Sussex and Kent and slightly more from Fulham and Chelsea and other places north of the river as far away as Ealing and Hackney.

The list of occupations of parents include one docker, five draughtsmen, 29 factory workers, five foremen, 10 garage mechanics, five gardeners, three hairdressers, four railwaymen, one refuse collector, one shoe repairer, 28 shopworkers, one steeplejack, one turf accountant, one unemployed, and one warehouseman. About one child in eight at the school is from an immigrant family.

Mr Kay said: "When we go canvassing in the community, people who have had no connection with the school, who never went there themselves and had no children at the school, come up to us to wish us luck with our campaign. They believe the school is theirs as much as anyone else's."

**Tim Devlin**  
Education Correspondent

## Détente: the risk of false security

**Ronald Butt**

been criticized in the West for virtually sanctifying, even though it does not legalize, the postwar frontiers to the advantage of the Soviet Union, as a kind of substitute peace treaty in which there are no tangible benefits for the West. This criticism, stated baldly in this manner, cannot be justified. All the documents to be signed in Helsinki do is to state the obvious, which is that no attempt should be made to change frontiers by force but that they are subject to peaceful negotiations.

There are also generalized propositions concerning human rights (including freedom of religion and the movement of people) and the building of confidence by such devices as the advance notification of military manoeuvres.

All this may be worth more, or no more, than the paper it is written on, but it is at least something to get the Russians to subscribe to some principles so at variance with their own political practice, and to publish their subscription in their own country. Things are better than they were under Stalin and this could represent a further advance. This manifestation of genuine goodwill need do no harm—unless we misuse it.

We shall, however, misuse it if the politicians and the public allow themselves to misunderstand it and fail to apply to it as rigorous a public analysis of Russia's intentions and political strategy as our negotiators do.

This is not to suggest that there is any disposition on the part of British professionals who have been engaged in the negotiations to be starry-eyed about what may come of them. They are under no illusion that the essential Russian objective is anything other than has been since the revolution, namely, to eliminate the discrepancy between the Soviet's potential and its actual economic power—a process which was interrupted by the war, and then by Russia's arms race with the United States.

What the Russians seek by détente is a period of international stability in which the (self-imposed) pressure on

them to indulge in an arms race with the United States is diminished, so that they can get on quicker towards their goal of economic power.

It may be asked at this point: why should the Russians be so worried when they already have such a preponderant strength over the West in Europe with, for example, two and a half tanks to every one of ours, when they will concede nothing in the balance of forces in Europe?

The explanation which British negotiators give is that the Russians, as a result of their history, have always overestimated themselves in military terms and that it is our business therefore to try to persuade them that over-estimation is not necessary.

Soviet military power is therefore as active as it can manage to be in nudging the Western powers out and nudging itself in. It is a few in the Labour Party which make bones about their wish to dismantle our defence capacity, either because they believe there is no threat from Russia or because they see nothing in the Russian system from which they greatly wish to defend themselves. There are very small minority figures who still believe that if cuts in public spending are necessary, defence, in the phase of détente, is the right place to look for them.

Détente would be self-defeating if it accidentally created a political climate in which we began to believe that détente was an outmoded idea and the need for western solidarity was lost sight of. To prevent this from happening, the west should be much more open about its negotiations with the Russians, much more willing to say specifically what we have, in good faith, offered and what they have rejected.

Our governments should be as assiduous in publicizing the cause of the West, and revealing the negotiating tactics of the Soviet Union as the Soviet Union is in doing likewise with its own people. If there is a lack of interest and understanding in the democracies on this issue, it can only be the fault of the democracies' political leaders.

Portugal as an example of their willingness to go as far as they can without pressing their luck. Let us suppose that they do not calculate on lulling the West into a sense of false security, in which they gradually dismantle their arm, and enable the Soviet Union to pounce.

Nevertheless, allowing all this, it is still possible that the undesired and could accidentally be induced by the changed atmosphere. It is possible for the west to surrender to a self-induced sense of false security and a failure of will to defend itself. This could tempt the harder elements in the Soviet Union to take a chance on adventures that they now in charge do not envisage.

It is therefore surely important that détente should not be misunderstood in the West, and only the vigilance of the politicians can insure us against this. At home, we have increasingly to contend with those who would undermine faith in our system and its freedom. There are a few in the Labour Party which make bones about their wish to dismantle our defence capacity, either because they believe there is no threat from Russia or because they see nothing in the Russian system from which they greatly wish to defend themselves. There are very small minority figures who still believe that if cuts in public spending are necessary, defence, in the phase of détente, is the right place to look for them.

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## A new use for Covent Garden Flower Market?

This market has been saved from demolition and, whilst it is an unique and historic listed building, the GLC would like to put it to good use.

We will, of course, consider straight forward commercial offers for its 30,000 square feet but we should also like to hear from people who can suggest imaginative uses that would suit the character of the building and benefit the community. The Council is represented by the Covent Garden Team at the address below. Please contact in the first instance:

**Peter Leigh on 836 0181 GLC**  
1-4 King Street London WC2E 8HN

## The Times Diary

### Foreign hordes clutter our roads

man at the AA. "They can have around here for practically nothing compared to what it would cost them where they come from."

The situation worsens. A press release for the Unicorn Theatre tells me of their new production to be performed "both in the Arts Theatre and in a street situation."

### Homeless

Can anyone give a good home to a remarkable piece of embroidery, with high and 22ft long, depicting the Normandy landings of 1944, comparable, some say, with the eleventh-century Bayeux Tapestry? If you have room to spare and can spare a number of sight-seers, Lord Dulverton would be pleased to hear from you.

Since the Imperial War Museum was refused planning permission to build an extension to house it, the Overlord Embroidery has been homeless. It has spent most of the time since its completion in 1973 on tour in the United States and Canada. Offers of a permanent home have come from North America, but Lord Dulverton is determined to keep it in London.

For the next month that embroidery will be squatted at the City of London Guildhall, so large that it covers three walls

of the main hall and disappears down a corridor near by. It was unveiled there yesterday.

Lord Dulverton is giving London first choice of the work which he commissioned in 1968, and which employed expert embroiderers at the Royal School of Needlework for five years. There have been tentative offers of a home from Edinburgh, Portsmouth, and other regional centres.

Unlike the Bayeux it is appliqué rather than pure embroidery, and in some places actual shoulder flashes, and other uniform trimmings, like King George VI's gold sleeve lace, are woven into the panels. At the last insurance assessment it was valued at £75,000, but is now worth more in replacement value. There must be a spare wall somewhere in London.

### Unspoken

When Henry Kissinger made his speech attacking the United Nations last week, newspapers, including this one, gave great prominence to the quote: "Those who seek to manipulate United Nations membership by procedural abuse may well inherit an empty shell." Strong stuff, but he did not say it.

It was in the advance text handed to reporters, European papers had to use it because there is a six-hour time dif-

ference. American newspapers lacked that excuse but most of them seem to have used the written, not the spoken version. The *Washington Post* had the empty shell in its opening paragraph.

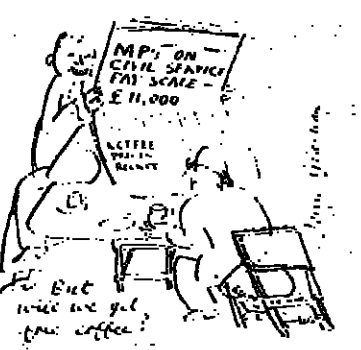
The speech was too long, was therefore cut and the secretary's spokesman said afterward that he stood by both versions. In America the moving finger having writ, moves on. Kissinger's second thoughts will persuade any reporter to cancel half a line of a story he has already filed.

### Gosh!

One of the weirdest functions in London yesterday was the installation of Princess Anne as a Companion of the Grand Order of Lady Rattings. This distasteful branch of the Grand Order of Water Rats is a highly sexist body and said that, if I wished to be represented at the function, it would have to be by a woman. Since my dress was at the cleaners I scoured the building for a woman with nothing better to do, and she reports:

One man did manage to penetrate the lunch—the Princess's husband wore a suit and made no attempt to disguise his sex. He spent much of the time trying not to laugh. Indeed, there was plenty in laugh at the rattlings had been coached beforehand to burst into "spontaneous" song throughout the meal, between mouthfuls. The music was provided by a female trio. The songs included songs from old-time music-hall and *Hello Dolly*. At one point we were required to wave our napkins (serviettes?)—Ed in the air and at another to do a cooza round the room.

The Princess declined to join



in these excesses but managed a restrained smile through most of the lunch. In a brief speech, she said she did not know what she had done to deserve the honour, and I could only agree.

### Getting fresh

There is one unexpected drawback to having an allotment—or at least to having an allotment and writing about it copiously as I do. It becomes, before long, a serious social disability. At smart cocktail parties, instead of engaging in witty and amusing discussions about literature, diplomacy, the theatre or politics, conversation is restricted to my lettuce, beans and con-

volutions. It happened again on Tuesday evening at Marlborough House, where there was a party to welcome Sonny Ramphal, of Guyana, the new Secretary-General of the Commonwealth. Nobody would talk to me about anything but vegetables, partly no doubt because Patsy Robertson, press officer to the secretariat, went round warning I was to confine to.

Thus I can reveal only that Ramphal's wife, Lois, is suffering from a lack of fresh vegetables. In Guyana, she told me.

there is a grow-it-yourself campaign, as a result of which everyone eats their produce straight from the plot. Here she has to rely to a large extent on canned food, and thinks she might have to take vitamin pills to make up the deficiency produced by her lack of parcel of any allotment surplus.

I have also received a communication from Bernard Levin, who, I should have thought, gets enough exposure on this page as it is. He accuses me of boasting and wishes the world to know about the tomatoes in his Marylebone windowbox. So far, he says, his two plants bear 32 incipient tomatoes between them, of which six are already 1½ in diameter, and exuberant. Moreover, he has already devoured a good crop of wild strawberries.

If he wishes to play the numbers game, I could tell him that, apart from the allotment produce, my wife has her customary 10 tomato plants in pots on the steps behind our lean-to on which some fruit is 2½ wide and beginning to get ready. And wild strawberries are simply weeds.

My item the other day about the Dean of Divinity at Magdalen College, Oxford, prompted this recollection. Vice-Admiral Sir Peter Walker of Bath.

A Magdalen Dean of Divinity Used to boast of his daughter's virginity.

They must have been dawl! Down there at Magdalen! It could never have happen at Trinity.

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# Singapore

## Inflation beaten in era of 'détente minus'

by Dick Wilson

Singapore is surviving its recession with a foreign trade this year running at 10 per cent less than last year's but with inflation decisively beaten. It also looks, in spite of the Prime Minister's almost professional pessimism, that it will survive the communist victories in Indo-China.

This is the era of what Mr Lee Kuan Yew has called "détente minus", meaning détente minus real peace and cooperation in third world countries. The Americans, the Russians and the Chinese have agreed not to collide with each other directly, nor through the proxies of the smaller countries of South-east Asia. This means that the cosy sense of patronage which states like Singapore were able to enjoy is replaced by a form of compulsory non-alignment in which there is no *pax Americana* nor any substitute for it.

The result of this change in the rules of the Third World game is that Singapore is obliged to make sure that its relations with its immediate neighbours, Malaysia and Indonesia, are in good order, which some observers might be pardoned for thinking to be a good thing in itself. It also means the promotion of the Association of South-east Asian Nations (ASEAN) from being merely a pious phrase on politicians' lips to becoming a more significant forum in which the solidarity of the smaller states of South-east Asia—communist or capitalist—can be manifested.

Mr Lee does not believe that Chinese or North Vietnamese armies are about to spill over into the ASEAN

belt. But he is sceptical about the ability of Thailand to stand up to Vietnamese or Chinese communist pressure, and not everyone in Singapore is convinced that the counter-insurgency situation in Malaysia is as good as Tun Razak would have them think.

"We are likely", said Dr Goh Keng Swee, the Defence Minister a few weeks ago, "to have gradual, sometimes almost imperceptible, extension of communist strength in the political and social as well as military fields".

The security situation in Singapore has not seriously been in doubt since Mr Lee's Government first showed its strength more than 15 years ago.

What would alter this, possibly, would be a sustained and deteriorating recession. Yet the evidence is that the economic blows of the past year or so have been well absorbed. In particular, the consumer price index in April stood only 3 per cent higher than the previous April, whereas in the 12 months before that it had seen an alarming rise of 32 per cent. Since Singapore prides itself on having kept inflation down to 1 per cent a year for more than a decade, these lapses are serious. But the problem has obviously been contained.

Industrial redundancies caused by depressed world markets reached more than 16,000 last year. Yet there is still new investment, notably the giant petrochemical complex in which Sumitomo of Japan and Shell are to participate.

The belief in business circles in Singapore is that there should be an upward movement in the economy during the fourth quarter of

this year. Mr T. M. Attwood, chairman of the Singapore International Chamber of Commerce, argued in a recent review of the business scene that the most worrying uncertainties facing the republic were the possibility of a further increase in the world oil price, and the loss of the South Vietnam market.

Singapore is now such a large user and refiner of petroleum, mostly from the Middle East, that a further increase in the price would be exceptionally damaging. As for Indo-China, the former regime in South Vietnam depended on the Singapore refineries for much of its oil supplies, but this has ceased since the communist victory. Singapore merchants hope that they will be able to sell other products to the Vietnamese market, but it is fairly clear that Vietnam will rely heavily on the communist states and on Japan, and Singapore may have to take a loss.

The growth in the Singapore economy last year was almost 7 per cent in real terms, and for those who consider this a commendable and enviable achievement, it may come as a surprise to know that it is only half the average rate of growth for the past six years.

Manufacturing industry, an important sector of the economy, has had to introduce economies during the present crisis, and some of the factories, which the Government had made such painstaking efforts to induce to open in recent years at the Jurong industrial township and other sites, have had to close.

The Associated Motor Industries assembly plant at Jurong, has shut, and Rollei

Singapore, a German camera factory, has had to lay off some of its workers. Texas Instruments has announced that it will reduce its Singapore workforce by about 20 per cent, and Fairchild Singapore has laid off several hundred workers. A recent report said that three electronic factories had closed, and that eight others had moved their operations out of Singapore. No recovery was envisaged until the end of this year.

Yet new investments continue to be made. A combination of Japanese, Australian and Singapore investors have just started a \$52m springs factory at Jurong, and high hopes are entertained for the Sumitomo petrochemical project.

This is a logical development. Given the size of the oil refining output in Singapore its cost is estimated at US\$400m. Sited on the small island of Ayer Merbau, the plant will use naphtha from three refineries near by. Its annual output of 300,000 tons of ethylene will approximate the consumption of ethylene in the whole of South-east Asia. It was recently reported that Singapore is endeavouring to interest some Arab governments in taking up a part of the official half share of the ethylene-producing "core" of the complex. This would not only ease the financial burden but also provide an effective guarantee of oil supplies for the complex.

Singapore is now the third largest oil refining centre after Houston and Rotterdam. After last year's expansion of the five refineries operated by British Petroleum, Esso, Mobil, Shell and Singapore Petroleum Corpora-

tion, daily capacity has reached a million barrels. Because of the recession it may be some time before all this is fully used, and this is one of the factors behind the urgency with which Mr Lee has been pressing the Japanese on the petrochemical complex.

It has not gone unnoticed that the Japanese are going ahead with the project at a time when they have abandoned similar large-scale petrochemical investments in other Asian countries.

Singapore is also the centre for the offshore oil exploration in South-East Asian waters in which about 50 companies are still engaged. One of the Singapore enterprises catering for this business recently won a \$5135m contract to supply two oil rigs to China, and Singapore is now recognized as one of the largest producers of oil rigs after the United States.

Despite the recession and the introduction of economies, the Government's Economic Development Board continues to lobby prospective investors to come to Singapore. It has recently opened an investment promotion office in Paris, and plans to have another in Houston. It is a tribute to the work of this body that nearly half the total manufactures produced in the republic are exported.

One of the concerns of the manufacturing community is understandably that of wage levels. These are somewhat higher in Singapore than in other South-east Asian cities, and indeed Singapore says it has the highest standard of living in Asia after Japan. When the Prime Minister opened the new \$50m 400,000-ton drydock of Sembawang Shipyard a few weeks ago ("now the largest shipyard in the world"), he said it out that wage bills and repair costs must continue to be lower than those in Japan, Hongkong or Taiwan.

Singapore continues to develop as a financial and banking centre. The Development Bank of Singapore, in one of the ventures which it was intended to encourage, recently opened the International Bank of Singapore in equity collaboration with the three leading local banks, the Overseas-Chinese Banking Corporation, the Overseas Union Bank and the United Overseas Bank. It is intended that this new international bank will have a network of branches wherever Singapore has its main trade links. On the purely private side the latest newcomer is the British-Japanese joint venture merchant bank Baring Sarwa Multi-national.

### Evidence of vitality

The Asian dollar market which is the local offshoot of the Eurodollar market is developing reasonably well, and a market in negotiable certificates of deposit has been established, with a turnover estimated at \$200m.

All this is evidence of the vitality of Singapore's economy, government and private business. The country has found an excellent middle road between government restriction and free enterprise. Given its paucity of natural resources, it is a matter of congratulation that the livelihood of this community of 2,000,000 has been so carefully preserved and built up.

Politically, there are tensions beneath the surface, and the Government's attitude to civil liberties is far from praiseworthy. But the Government does deliver the goods which the vast majority of the population want, and does so efficiently.

Diplomatically, Singapore finds itself in a new era of uncertainty, where the ultimate intentions for the region, of the American, the Chinese or Japanese cannot be clearly discerned. But the rest of the world is in the same boat when it comes to that, and Singapore has at least absorbed the principal lesson of it all, which is that self-reliance is the best object of reliance.

This is the ninth in a series of Special Reports on investment and development centres of the world, which will include Minas Gerais, Lagos, Hongkong and Johannesburg. The series will be republished as a booklet available from the Marketing Department, The Times, price, 22.

## Open arms but no handouts

by Geoffrey Weston

If you are an approved investor, there is no doubt that you will be welcomed with open arms in Singapore and given every possible assistance. If you are not, you will be told so quite bluntly and advised to go home. There are many fiscal and other incentives and even government loans for companies temporarily hit by world economic conditions, but there are no handouts for ailing firms and you will get short shrift if you cannot make a profit.

Tax concessions are clear-cut and there are no special laws applying to foreign companies once they are set up. Established businesses talk of "incredible efficiency" in the way the country is run and the fact that government officials are only too willing to talk to them.

Wages are not far out of line with the rest of the region, roughly a sixth to an eighth of those in Europe, and are tied to skills and productivity. Once a year the National Wages Council, comprising the Government, trade unions and employers, sits down to hammer out industry-wide wage guidelines. The Industrial Relations Act lays down clearly relations between management and employee, trade unions being barred from negotiating on matters of promotion, transfer, recruitment, termination of employment, redundancy, dismissal and reinstatement or allocation of duties.

No limit is placed on imported capital and normally no restriction on repatriating capital or profits. There is no capital gains tax either. In such a tough, disciplined but high-living society, you know exactly where you stand and life is made a great deal easier for competent investors.

Commonwealth links are strong and there are, of course, natural links with Britain. The legal system is British-inspired and there is a general feeling that Britain has the best understanding of South-east Asia. The International Chamber of Commerce has members from 30 countries, but is dominated by British interests. Nevertheless the doors are open to all comers, provided they fulfil the right conditions, and there is no reason to doubt that the business and industrial community will become increasingly international.

In such a small country—Singapore is only 26 miles by 14—there are almost no harbours or roads to be built and, still in the other predominantly rural nations of South-east Asia, no crops to be harvested. Roads, port facilities and communications generally are excellent, and no significant delays are reported. What is the most sought-after investment? There is little scope for extending the traditional entrepreneur trade or tourism, and mining and agriculture are ruled out. The Government emphasizes the need for higher skills and firms offering technological advancement.

Metal engineering and machinery, aerospace engineering, shipbuilding and transport equipment, optical instruments and lenses, scientific and medical equipment, electrical and electronic products, chemicals and petrochemicals are in a long list of favoured industries given pioneer status. All would qualify under the

capital assistance scheme, which is intended for the small to medium-sized international company. A fund of \$100m has been set aside for the current year.

The Government puts up a maximum of 50 per cent of the equity, but since the emphasis is on establishing industry, not participating in it, companies are given the option to buy back part or all of this portion, although the Government would prefer to retain some share in future growth. There is a question of creating nationalization.

Pioneer industries are given tax exemption on profits for five years and a similar concession on expansions costing \$10m or more. In cases of substantial investment, up to 10 years' tax holiday may be enjoyed. High technology industries may qualify for a 90 per cent exemption from company tax for a further period.

Since labour is the country's main resource, great emphasis is placed on training and education and subsidies are allocated for approved schemes. There is a growing trend in the value added for each worker, which, it is claimed, has risen from \$14,000 in 1972 to \$32,000 in 1974.

Long-term loans for industrial development are available from the Development Bank of Singapore, itself a joint venture between the Government and foreign banks, and more than 50 local and international banks are in operation. There are marginal incentives to bankers but restrictions governing the entry of further foreign banks, and future licences will be granted only for offshore operations.

The Monetary Authority of Singapore keeps a close watch on banks and insists on frequent returns on their

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The modern skyline of Singapore showing the twin towers of the Chinese Bank building.

Alan Clinton

## How your company can profit from The Hongkong Bank Group's extensive knowledge of Asian markets

When you do business in Asia you need careful forethought, a lot of initiative and all the help you can find. Asian markets are full of opportunities, vexations and rewards. If your company is about to establish or build up its business anywhere in Asia, you should consider making use of the far-reaching resources of The Hongkong Bank Group.

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## Developing human resources

by Alex Josey

Based upon the Government's declared conviction that the primary duty of an administration is to "establish a society in which everyone has an equal chance to live, learn, train, work and earn a living to the best of his or her ability", the Singapore education system has recently been reorganised at a cost of \$20m to reduce waste, improve learning, and increase the supply of trained manpower.

"Our policy", according to Dr Lee Chiew Meng, the Minister for Education, who has since become Minister for Science and Technology, "is consistent with the principle of meritocracy—that men should be rewarded according to their ability and social contribution".

Dr Lee's point was that Singapore, devoid of natural resources, must depend entirely on the development of human resources and talents. He argued that only a system based on merit can provide the incentive and motivation to bring out such latent qualities of personality and character as perseverance, courage, hard work and aspirations which determine a man's level of achievement.

This is the real philosophy of industrial training in Singapore. Every child leaving primary school therefore proceeds to post-primary education and training of a type best suited to his aptitudes and ability. The secondary curriculum includes a variety of vocational and apprenticeship schemes. New laws permit children between the ages of 14 and 16 to work in factories. Those between the ages of 12 and 14 are allowed to work in industries in approved apprenticeship schemes.

It is not deliberate policy to emphasize the training of technicians and skilled workers. The step is a logical one. In the past few years the Government has enticed large foreign companies to set up factories in Singapore, either as joint ventures with Singapore companies or as totally owned subsidiaries. The impact on the industrialization programme has been acknowledged as highly beneficial.

Over the past two years the Economic Development Board (EDB) has been encouraging the expansion of the multinational companies already established. Now

the board is endeavouring to attract specialist supporting industries which need even higher skills. In these circumstances industrial training of a high level is essential.

Training is conducted mainly by the Industrial Training Board (ITB) through technical and vocational institutions and by the Economic Development Board through various schemes. The National Productivity Board runs schemes for training management and supervisory staffs.

At the end of 1974 about 5,300 full-time students and 1,600 part-time students were enrolled in ITB training schemes. About 1,400 were taking advantage of EDB schemes. Of the latter there are three basic ones: the industrial training grant scheme, which encourages local training; the overseas training scheme; and the joint government industry training scheme, which is a partnership between government and companies, the latter providing financial assistance.

Under the grant scheme Singapore and foreign firms with approved programmes for training or upgrading Singaporeans, to certain minimum levels of skill may qualify for sums extending from \$2,000 to \$3,000 for each worker trained.

The Government has set aside \$10.5m (more than £2m) for industrial training this year, and orders have gone out that the levels of skill must be raised to meet the demands of the industries which the state is hoping to attract to Singapore. Of this \$10.5m allocation \$8.5m will be for more industrial grants and joint industrial training centres, and \$1.9m for sending trainees overseas.

The capacity of the ITB's programme is being expanded and soon the intake will be 8,000 workers. There are some 24,000 workers in the manufacturing sector, or roughly 28 per cent of the national workforce of 824,000.

Already training is being improved in quality by lengthening the period allowed and changing the content of the course. Private sector training is being upgraded by better use of the joint industrial training centres. There are two exist-

ing centres, Rollei and TATA, and a third, Philips, is now due to start.

Mr Hon Sui Sen, the Finance Minister, told Parliament earlier this year: "The ultimate limits to our productivity are the technology standards we can achieve, which in turn means the standards of technological skills our workers are prepared to exert themselves to achieve."

An enlightened trade union movement which believes in cooperation with employers and government also accepts the principle that the world does not owe Singapore a living and fully supports the training programmes.

EDB officials emphasize that the board's training programmes and services extend to all firms operating in, or intending to operate in, Singapore. Help can be given to recruit and select workers. If required, the board will advertise for workers, process applications, and arrange and conduct an aptitude test provided by an American concern. It will use a company's own test if preferred.

It will also advise on terms and conditions of training and employment—length of training, wage schedule, clothing allowance, cost of living allowance, bond period and so on. Arrangements for overseas trainees include almost everything, including visas and exit permits. In those countries where the EDB has a representative, the progress of the training programme is monitored and the results reported back to Singapore.

The EDB can also handle department of national service liability for workers under industrial training.

At the end of last month Mr Chua Sui Tian, head of manpower and training at the EDB, identified three main growth industries: precision engineering (like watch and camera assembly); heavy industries (like shipbuilding and engineering); and the petrochemical industries (which would need 17,000 workers, many of them unskilled).

The precision engineering industries alone would require 800 trained precision workers a year. To meet all future demands, the EDB would set up two more industrial training centres at a cost of \$8m, Mr Chua said.

## Ho Minfong presents case studies of two main investors

Beecham

Beecham Manufacturing has been quietly operating in Singapore ever since Singapore started functioning as an independent country.

Back in 1964, Beecham—a subsidiary of the Beecham group in the United Kingdom—established a modest plant, employing about 30 people to manufacture consumer goods such as shampoo and hair cream. Over the past decade the plant has grown slowly but surely, until it has reached a sales volume of about \$2m and has a work force of 100 people.

"Our growth has never been dramatic, but it has been quite steady," he said. "It is a totally urban state with no natural beauty, no outstanding architecture and little historical background. Yet, when tourism was seen as a means of replacing foreign exchange lost through the departure of British troops in the late 1960s, massive efforts were made to create suitable attractions artificially. The Fair which Singaporeans like to possess in such an enterprise resulted in a success story matching that of the economy as a whole."

Mr Schatz, who has been with Beecham Manufacturing since its inception in Singapore, said that its plant is only one out of a whole network of similar ones, spread across India, Pakistan, Australia, Malaysia, as well as in the Americas and continental Europe. As such, he pointed out, it would represent no more than 5 per cent of the group's total production of consumer goods. It was not

until 1973 that Beecham injected a substantial amount of new capital into Singapore.

Beecham Pharmaceuticals, with its 16m factory and 300 technicians and skilled workers, raised Beecham's status to the ranks of the larger foreign investors in Singapore, after Shell and British Petroleum in the list of British industrial investments.

Unlike its sister plant, Beecham Pharmaceuticals exported about 90 per cent of its product—semi-synthetic penicillin—overseas with Japan being by far the largest market. Others include Malaysia, the Philippines, Indonesia, Libya and others. As the first factory of its kind that Beecham has built outside Europe and America, the plant in Singapore manufactures an important part of the group's output of antibiotics.

"Despite the current recessionary trend, we are going ahead with our expansion plans. This means setting up facilities worth \$3m to produce penicillin nucleus—the core of other penicillin products," said Mr R. P. Allen, managing director of Beecham Pharmaceuticals.

Although inflation has pushed up the production costs of antibiotics, the market demand for such products does not seem to have dropped noticeably, Mr Allen observed. "Recession or no recession, people will still get sick. The only thing is that in some of the Asian countries which are our markets, hard times can mean the difference between being cured and staying sick."

It is heartening to know that, if Beecham Pharmaceuticals' sales are any indication, times are not so hard in the region yet that sick people must remain so.

Rollei

At first glance Rollei would seem endowed with all the necessary qualifications to guarantee the company's quick success as a foreign investor in Singapore. It was heavily export-oriented; it introduced fairly advanced technology; and it required labour-intensive skills.

As such, it was informally known as the darling of the Singapore Government's foreign investors, and given not only the usual five-year tax holiday enjoyed by all

"pioneer industries", but additional tax benefits as well as the exclusive right to manufacture cameras.

Last year, however, barely four years after it was established, Rollei announced that its Singapore workforce of 6,000 would be halved to 3,000, while about 800 of its 2,500 workers in Germany would also be retrenched.

Moreover, the company was reported to have incurred losses of up to DM150m in 1974, alone, which would bring total losses for the past three years to DM300m.

What happened? When the West German Rollei Werke firm shifted a substantial part of its manufacturing operation to Singapore in 1970, its primary aim was to undercut the cheaper labour costs in Japanese photographic equipment.

According to its own calculations, Singapore wages would be about a third of those in Japan and only a sixth of those in West Germany. Since labour accounts for some 85 per cent of the manufacturing cost of a camera, Rollei was to produce an increasingly larger share of its products in Singapore to export to the European and United States markets.

To this end, it invested DM 135m—mainly in the form of equipment—in three major subsidiaries in Singapore: Rollei Optical, Singapore Camera Factory, Development Bank of Singapore provided the working capital.

Operating out of five separate plants and employing more than 6,000 workers, the Rollei group quickly churned out a wide range of precision instruments—a photography: die-cast aluminium components for camera projectors, electronic attachments, precision lenses and viewfinders, and a wide range of cameras and camera accessories.

Even without the world recession, Rollei's great leap eastward had been considered by some to be "too big and too fast". With the drastic slackening of international market demand, especially for luxury products like cameras—Rollei's expansion had only succeeded in flooding a market already saturated with unsold stock.

## Tourism secures prize in a 10-year gamble

by Geoffrey Weston

Singapore is endowed with few of the built-in ingredients normally associated with tourist development. It is a totally urban state with no natural beauty, no outstanding architecture and little historical background. Yet, when tourism was seen as a means of replacing foreign exchange lost through the departure of British troops in the late 1960s, massive efforts were made to create suitable attractions artificially. The Fair which Singaporeans like to possess in such an enterprise resulted in a success story matching that of the economy as a whole.

Barriers were given every encouragement: planning permission was speeded, the Government participated in equity in some cases and apartment blocks were turned into hotels. In 1969 there were reports of low occupancy rates, but the gamble has now paid off.

The Singapore Tourist Promotion Board, set up in 1964, has been at the back of a huge surge in tourist revenue in the past decade. Only a few years ago the Raffles, which celebrates its nineteenth birthday next year, was the only good hotel. Somerset Maugham, who stayed there on and off for 40 years, claimed that it "stands for all the fables of the exotic East". He is known to have written for many hours in the magnificent palm court where dining under the stars at the orchid decked candlelit tables is an experience not to be forgotten.

If the cuisine is no longer outstanding by present-day standards, the atmosphere and tradition, redolent of a former age, still make the Raffles for me the best and most genuine thing in Singapore and rightly one of the world's most famous hotels.

For those with different tastes there is an astonishing selection of international modern hotels, the largest being the Hyatt with 900 rooms and the Shangri-La probably the most opulent.

For the harassed businessman leisure time in Singapore may well mean dozing on his back beside the hotel pool, opening his eyes only to order another beer from a passing waiter. But, like any other important international crossroads, there are ample conventional amusements: golf courses, saunas, cinemas, theatres, nightclubs and restaurants of nearly every eastern and western shade. Dress is almost invariably casual, ties and jackets being seldom required, although it is better to check when in doubt.

Sir Stamford Raffles, commonly regarded as Singapore's founder, landed on this island in 1819. A statue has been set up to mark the spot, but as Mr Lam Peng Loon, director of the Singapore Tourist Promotion Board remarked, "God knows whether he actually landed there". Tourists are happier if it is felt, if they can stand at an historic spot, even an invented one.

Singaporeans show no lack of enterprise. Local culture is colourful and expressed through a series of festivals spread throughout the year, but "you can see the culture of Singapore every morning, including Sundays, without waiting for a festival". Mr Lam explains. He is referring to the Insect Asia Cultural Show, where you can see "hundreds of years of culture caught in a 45-minute capsule"—a mixture of Chinese, Malay and Indian dancing with a bout of Javanese (Malay art of self defence) thrown in.

If by now you feel rather like a pea going through a tourist canning factory, your analogy would not be far out. The process is an artificial one, and the only way to enjoy it is to enter into the spirit of it.

A cable car will take you from Mount Faber to Sentosa Island (the name is ironically Malay for tranquillity)—700 landscaped acres devoted entirely to tourist amusement. So far, a golf course, swimming and boating lagoon, shell and maritime museums and a

Second World War artillery base are open.

A passion for avoiding planners' blight has led Jurong Industrial Estate to attract many tourists as well as local residents. Landscaping has allowed for a large Japanese garden with pagodas, lotus ponds and paths of road width to take the expected borders. The Jurong Bird Park holds 6,500 birds and can be toured in rubber-wheeled trams. Visitors are allowed into what has been claimed to be the world's largest aviary, which spans five acres and the world's highest man-made waterfall.

More natural are the wealth of temples of many denominations, the huts of Chinatown and the free opera air Chinese opera. I have not dived on the Zoological Gardens or the new Chinese garden, because I have not seen them, but I have not the slightest doubt they are run with the same scrupulous efficiency that characterises all tourist development. After all, it is part of the same discipline that permeates Singapore life in general.

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## CRISIS IN PUBLIC INDUSTRY

Summer is the season of reckoning for the nationalized industries and public undertakings. By one, their annual reports will be published, each revealing their weakening struggle against rising costs. Managements at present seem devastated by their problems, the dimensions of which can be measured in nine figure losses, huge taxpayer subsidies, and ten figure borrowings. Each state enterprise is different, yet what is common is the atmosphere of crisis. It has already driven the various chairmen to band together and to send a deputation to Downing Street to plead for a new deal. To be a chairman or a board member in the public sector of industry is to invite vilification. The customers are openly antagonistic. Governments constantly interfere in decision taking and always believe they know better, while nationalized industries' management is not noted for enjoying high levels of their employees' confidence. Nor are those who carry the can for losses, not always of their making, paid a particularly attractive rate for the scapegoat's job.

When Chancellors use the state undertakings as instruments of economic management, with price restrictions or arbitrary

changes in investment commitments, or incoming ministers reverse previously agreed modernization policies, managements and customers alike are left bewildered. It is little wonder that civil servants and their political masters now openly confess difficulty in persuading people of quality to accept high level appointments in public industry. Indeed, at least three chairmen now occupying such positions were not the first choice.

Just to detail the present crisis of confidence or its debilitating effects, with all the implications for essential public services and their strategic contribution to Britain's industrial base, is not enough. What is needed now is the reintroduction of clearly defined statutory obligations and reasonable profit objectives.

The Treasury is determined to end deficit financing and to monitor borrowings. This alone is a financial vice, which may well squeeze out surplus manpower, the effect of which becomes clearer as prices rise to realistic levels and demand reacts. It is painful, both to labour forces and customers, but it is certainly necessary.

Yet this is only an essential condition to win more revenue and to reverse the declining

level of self financing of the new capital investment which is vital. New investment is needed both for their own productivity and also for the private sector, which is inter-dependent for services and materials. A difficult problem remains. Service and profit-making can be in conflict. Customers expect state enterprises to pay their way, but they are not always prepared to see essential services reduced—the Post Office and railways are constantly faced with this dilemma.

The Government must clearly state where a social obligation to provide some uneconomic service has been placed on a public undertaking, allowing it to be clearly identified and more openly subsidized. What remains, however, will be a duty to earn a reasonable surplus where profit yardsticks and market criteria can be fairly applied. State chairmen want it that way, and they also want some freedom from the squads of consultants, select committees, commissions of inquiry (the latest is one for electricity), and civil servants who crawl over the public sector of industry. As Lord Hewart warned Parliament 22 years back: "If you keep pulling up the plant to see how the roots are getting on, it does not grow very well."

## A RESOLUTION TO GO BEYOND BOYLE

There is always a danger in resolutions passed by a minority of the House of Commons late at night. The danger is all the greater when the resolution is contrary to the advice of both the Government and an official committee. That is what has happened over MPs' pay. Early yesterday morning the House passed by one vote an amendment which would link the payment of members to that of assistant secretaries in the Civil Service. This would be done in two stages. Between now and the next general election the salaries of MPs would be raised by not less than the increase paid to assistant secretaries. That would be nothing so long as the new incomes policy remains in force as the bottom of the assistant secretaries' scale is above the cut-off point of £8,500, though this does not mean that MPs were in fact voting for a self-denying ordinance. The second stage of the policy would place their salaries at a point on the scale for assistant secretaries within three months of the next election.

The House did not specify at what point on the scale, but as it runs from £8,650 to £11,000 the pay of MPs would inevitably be fixed above the £8,000 now recommended by the Review Body which the Government have wisely deemed to be excessive in present conditions. It might be fixed well above that figure if MPs chose to interpret their own resolution with generosity. So although they have not voted themselves any extra money immediately, beyond the Government's recommendation, they are seeking to place themselves in a permanently more advantageous position for the future.

The case for relating the pay of MPs to some grade of the Civil Service has been considered with sympathy in these columns. It might prove to be a means of adjusting the salaries of members without the political furor that seems inevitably to induce governments to make the increases infrequent and therefore larger and more damaging in their public impact than they would otherwise be. But it has to be noted that such a proposal

was rejected by Lord Boyle and his colleagues on the Review Body and that against it has to be set the obligation of Parliament to keep an appropriately stringent eye on the pay of civil servants. Any firm provision at this time to provide MPs with a safe hedge against inflation would arouse a great deal of justifiable public resentment, would make it all the more difficult to enforce pay restraint on others and would reverse what ought to be the Government's priorities at a time of great economic anxiety.

It would be all the more objectionable if a decision were to be taken now to give MPs a large increase within a definite time limit when the economic outlook is so uncertain. Members are now aspiring to a level of pay beyond the generosity of the Review Body which itself paid too little regard to wider economic considerations. If the Government were to act on this aberration of the House of Commons they would forfeit the authority to call for the necessary sacrifices from the public at large.

## THE FALL OF SIGNOR FANFANI

The Italians have had good cause in the past twelve months to wring their hands over their social and political ills. The steady growth in political violence, kidnappings and the like have been matched by political immobilism in the government. Naturally feelings of disappointment fasten on the Christian Democrats who have been the responsible directing force in the many governments Italy has had since the war. The continuing decline of the party since its defeat in May of last year over divorce reform was demonstrated in the results of the regional elections last month when the communist vote, notably increased and the Christian Democratic vote as sharply fell.

Throughout the twelve months Signor Fanfani, as secretary-general, has been the party's main policy maker. For many years he has been the most vigorous and undaunted among the Christian Democratic leadership, though he has lately been more and more criticized for being out of touch with changing opinion. Apparently unmoved by the criticism, he has held more firmly to his anti-communist line arguing, when charged with losing votes on the left, that by gathering votes on

the right he was thereby defusing extremism in that quarter of its dangerous potential. Events have disproved this claim and within the party the younger, left-wing members have been campaigning for his removal. After the regional elections last month it seemed inevitable that he should resign but he has carried on to the point of his own undeniable defeat in a vote of confidence.

The immediate result will be to encourage the Christian Democrats to set about their own renewal as a party and in doing so to attract active Socialist support for Signor Moro's weak minority government. Neither task will be easy. Much may depend on their response to the pressing need for a new economic policy to counter the fall in industrial production and increase in unemployment that have accompanied Italy's improved trade balances. Signor Fanfani's removal offers the chance of change but no certainty of its direction. Today's choice of a new secretary-general could be a sign.

Of course Signor Fanfani's going is not the end of him: he is far too determined and active a man to go into retirement. But his defeat will mean

an end to the anti-communist policy he has been urging and an opening for the "historic compromise" inscribed by Signor Berlinguer on the Italian communist banner. This would allow the Communists at some point in the future to play a part in government rather than to remain the party consigned to eternal opposition against which coalitions are put together.

To this end of eventual partnership in government the Italian Communists may have profited from Signor Fanfani's recent attacks warning the electors to look at Portugal lest Italy should be drawn into a similar leftward lurch. This was obviously an exaggerated charge that it has had no effect at all. Indeed, one result of the attention paid to west European communist parties following on events in Portugal has been to distinguish more clearly than before the independent status of the Yugoslav, Italian and Spanish parties on the one hand compared with the subservience of the French and Portuguese on the other. But an increased political tolerance in Italy would not be enough in itself to cure the ills that worry so many Italians now, and the dangers of the historic compromise are still real enough.

### The Post Office

From Col C. G. Lancaster  
Sir, During 1966 and the early part of 1967 the Select Committee on Nationalized Industries carried out an inquiry into the Post Office. Possibly due to my industrial experience I was invited to take charge of the telecommunications aspect of the problem while maintaining a general oversight of the other activities of the Post Office.

Of course we became aware of deficiencies in administration, notably in forecasting, but that was a weakness to be found in various ministries dealing with public corporations, and with hindsight we detected errors of judgement and some sins of omission. But throughout the inquiry I was immensely impressed with the intelligence, competence, and dedication to duty of management at every level, among whom at that date was Mr William Ryland, the present chairman.

In the course of our investigation moreover we visited the United States to study practices of the American Telephone and Telegraph Company and the comparison between these two great concerns, particularly in research, was by no means wholly to the disadvantage of the Post Office.

I hope I may long continue to enjoy Mr Bernard Levin's delightful contributions to your columns,

but I would suggest to him and to my old colleague, Sir Gilbert Longden (July 21), that the ability to assess industrial administrative competence is only achieved by long years of experience in that field.

I am, Sir, your obedient servant,  
C. G. LANCASTER,  
Kilmahall,  
Northampton.  
July 22.

### Imperial lighthouses

From Mr Peter Laws  
Sir, Your report (July 19) of the Imperial Lighthouse Service will bring memories to those who travelled leisurely by sea to the Empire in days past. One of the four Sri Lanka lighthouses is on the Great Basses Reef, eight miles off the south-east coast of that country.

Following the exciting and testing experience of building the Wolf Rock lighthouse off the south-west tip of Cornwall between 1862-63, its engineer, William Douglass (1831-1923), was entrusted with the building of the Great Basses Light, using granite shipped out from Dalbeattie in south-west Scotland. On its completion in 1872 he then built another on the little Basses Reef, 20 miles to the north-east, completed six years later.

Douglass then returned to Britain

on being appointed Chief Engineer to the Irish Lights Commissioners, giving 22 years of magnificent service in the cause of the Irish Lighthouse service, culminating with the building of the famous Fastnet Light off the Cork coast between 1899 and 1903. This tower was built of Cornish granite from Mabe.

All the lighthouses are reminders of the intrepid work of the nineteenth-century engineers who accomplished their works under the most appalling working conditions, and their work has endured.

Yours faithfully,  
PETER LAWS,  
2 Downing Road,  
Penzance,  
Cornwall.  
July 22.

### Dogs by Motorail

From Mr Gerald Williams  
Sir, I am taking my wife and two dogs to Scotland and back by British Railways Motorail. My wife gets one side of a compartment to herself plus blankets and pillow. The dogs sleep on the floor, but they cost me five pence more than my wife.

Yours faithfully,  
GERALD WILLIAMS,  
Crockham House,  
Westerham,  
Kent.

## Sterilization of minors

From Mr Nigel H. Harris  
Sir, Your leading article (July 22) on sterilization of minors is a perfect illustration of increasing interference with the relationship between doctors and their patients by Parliament, press, the Department of Health and Social Security, social workers and others.

The public need to be reminded that doctors work under a most strict ethical and moral code. They frequently consult with other colleagues over difficult problems and surgeons in particular consider it their duty to do so before, for example, amputation of a limb.

I have had to turn off a respirator on a number of occasions when it is clear that a patient cannot survive without it, but only after discussion with relatives and colleagues. I have no hesitation in stopping heroic resuscitation of seriously ill patients who are suffering from inoperable malignant disease but again after discussion with relatives, colleagues and nursing staff. A similar procedure is adopted when faced with the problem of avoiding treatment for certain seriously malformed newborn infants.

In none of these examples that I have given, and there are many more, is it necessary to ask the opinion of outside agencies. I do not see that sterilization of a minor needs to be different. There were a gynaeecologist and considered such an operation necessary I would proceed after seeking appropriate second opinions and the consent of the parents. I will never tolerate interference from administrators, MPs, social workers and the like who are only too ready to pontificate on these matters despite their ignorance, but they are not prepared to take the responsibility for the advice they give if things go wrong.

If the medical profession gives way on this, the time will come when important medical decisions are made, not by the doctor treating the patient, but by a committee of lay people. We do not need additional safeguards which is just a euphemism for interference. Our moral and ethical code is quite sufficient to protect the public.

Yours faithfully,  
NIGEL H. HARRIS,  
72 Harley Street, W.1.  
July 23.

### Squatters

From Mr Howard Levenson  
Sir, We have become increasingly alarmed at the hysterical reaction many people to squatters and squatting. The policy of this Council is that it is wrong to try and deal with the problem of homelessness and the right of every person to a decent home by using the criminal law to scapegoat squatters for the housing shortage.

The recommendations of the Law Commission have been discussed and analysed elsewhere, but your readers should know that the Law Commission is understood to have dropped its proposal to create a new crime of remaining unlawfully on property after being ordered to leave. One of the reasons is that the police have no desire to become involved in complicated property disputes and to endeavour to ascertain on the spot who has title to the property, whether a licence to occupy has been properly revoked and so on. Some of our correspondents are much less sensitive to the realities of the situation.

This Council would support the replacement of the forcible entry Act by an offence of entering by force adversely to persons in residential occupation. In all other cases the existing law of burglary is quite adequate to deal with activities which should be classed as criminal.

Yours faithfully,  
HOWARD LEVENSON,  
Legal Officer,  
National Council for Civil Liberties,  
186 Kings Cross Road, W.C1.  
July 22.

### Safeguarding farmland

From Lord Avelbury and Ms Irene Coates  
Sir, In the Conservation Society's report "Priority for Agriculture", we urged that agricultural land should be safeguarded from wanton development under the Community Land Bill and we urged this view at a meeting with Mr John Silkin, the responsible Minister, just before the Bill was published.

We were therefore pleased to note that in the Committee Stage of the Bill there was all-party support for an amendment to achieve this objective. It was emphasized in the debate that agricultural land might be taken for development in preference to any other, because of its relative cheapness, and Mr Robin Cook, who represents the urban constituency of Edinburgh Central, made the telling point that because all his constituents needed to eat, they had a proper interest in preserving agricultural land.

The Minister in replying said that although his brief said that he was to resist the amendment, he would not do so. Instead, he gave an undertaking that on Report Stage, which is to be taken in the House next Monday, he would ensure that the needs of agriculture and forestry were to be added to the list of matters to be taken into account by the local authorities in deciding whether land should be taken for development.

This would mean a degree of safeguarding for all agricultural land, and not just grades 1 and 2, which account for only about 20 per cent of the total, as originally proposed. We congratulate Mr Silkin on this change of policy, which accords with the priority for home agriculture set out in the White Paper *Food from our own Resources*, and we hope that he will receive support from all the parties when his promised amendment is debated.

Yours faithfully,  
AVERBURY, President,  
IRENE COATES, Chairman,  
The Conservation Society,  
c/o 24 Riverhill,  
Grosvenor Road, SW1.  
July 21.

## Pay limit Bill and the rule of law

From Mr D. W. G. Sawyer  
Sir, The time has come when at least one obscure democrat feels he must rise up and call halt to the violence which is being done to the constitution and to the erosion of our liberties before the law. The occasion is the deliberately confusingly titled Remuneration, Charges and Grants Bill. In ordinary parlance, this is the £6 pay limit Bill.

As you say today (leading article, July 22), in somewhat of an understatement, it is a most objectionable procedure to threaten punishment for employers who transgress a law containing reserve powers of enforcement of the pay limit, when it has not even been enacted, but has not even been made known. But you fail to draw attention to an even greater uncertainty, and that is of not knowing whether the "£6 pay limit" has been exceeded. Clause 1 of the Bill establishes that limit by reference to the present White Paper *The Attack on Inflation*, and that more below. What is more than objectionable is that by sub-clause (5):

"Any question arising under this section whether any remuneration exceeds the limits mentioned therein shall be referred to and determined by the Secretary of State."

Thus the Secretary of State has the arbitrary power to decide whether or not a payment relieves an employer from breach of contract, whether or not the Price Commission can allow or refuse a price rise, and whether or not a local authority will have its rate support grant cut. Apart from some opportunity for a local authority there is no provision for a submission or hearing, public or private, there is no provision for giving grounds for the decision, there is no appeal and there is no chance whatever of the subject seeking interpretation in the ordinary courts of justice or by some equally independent body. In short, the decision is dictatorial. It is now to be backed up by unspecified powers.

The other blow given by this Bill to the clarity of the rule of law is the device of legislating by White Paper rather than by statute. The

concept of the £6 per week pay limit is defined in clause 1 by reference to "the policy set out" in *The Attack on Inflation*. That basic policy in turn, with one exception, is set out in an annex as an extract from the TUC's "Development of the Social Contract". At least, in the Prices and Incomes Act 1966 the Labour Government was courageous enough to include a White Paper entirely of its own composition, though this was merely for the guidance of the Prices and Incomes Board and did not have the statutory consequences now proposed for the present one.

It is not only undesirable in principle to legislate in this way by double reference, but it must lead to confusion in the law. The TUC was expounding what it believed to be a clear and simple idea: it was not writing a legal document. Had it done so, the omissions, such as the effect of a reduction in basic hours, and the difficulties of definition, such as of an employer's overall wage bill, would have confused the basic message. None the less, those and many other questions of interpretation have to be faced and the Bill should have provided answers. Instead, it leaves it all to the discretion of the Secretary of State.

There is worse. Not content with this White Paper the Bill allows, in clause 1(3), the presentation of a whole series of subsequent White Papers amending the pay limits, each of which can instantly be made an order subject to later, and possibly much later, approval by Parliament. Every one of these, one supposes, is also going to be the subject of personal interpretation by the minister.

One doubts whether this Bill is unique in the state's encroachment on the supremacy and openness of the law and of our freedom and equality before it. It is, however, a particularly vivid example. It challenges us to make more than the usual mild and helpless protest. Yours truly,  
D. W. G. SAWYER,  
14 Alan Road, SW19.  
July 22.

## Conservation tasks for jobless youth

From Lord Esher  
Sir, The two saddest things in the news at the moment are elm disease and the lack of jobs for young people leaving school. There already exists such an organization. It is the National Conservation Corps which, together with the many local conservation corps throughout the country, has removed thousands of dead elms in the last few years, concentrating particularly on these trees which are too small to have commercial value or which may be continuing sources of infection.

The conservation corps movement differs from Mr Curtis's idea in three respects. First, it is probably smaller than the organization he has in mind (6,000 volunteers in national and local corps) and although growing fast, it is limited by the money available to it. Secondly, it is not a government agency but comes under the aegis of the charitable trust on whose notepaper I write. Thirdly, it does not confine itself to removing dead elms but carries out a wide range of conservation activities for landowners of all types including local government and private landowners.

Your readers may be interested to know that these conservation activities include the extensive "replanting" of broad-leaved species called for by Mrs Jacynth Hope-Simpson (July 14) and supported by Mrs Robin Lewis (July 19). I hope Mrs Lewis will forgive me if I question the assumptions on which her arithmetic is based. Surely such a small figure as 5,000 planted trees each year in Somerset implies that these trees would all be large semi-mature specimens, each requiring a lot of time, money, and mechanization to plant. If we are really concerned for the landscape of our descendants, as she rightly suggests we should be, and not with "instant trees" then the planting of seedlings and saplings must be a more economic exercise.

By way of example, ten volunteers from the National Conservation Corps planted 7,000 broad-leaved seedlings on a site in Yorkshire last year in one week. Work of this sort is being done all over the country, including areas affected by Dutch elm disease, by young volunteers concerned not only with the wild life and landscape of today but with their children's inheritance.

Yours faithfully,  
ANDREW C. H. BROWN,  
Member of the General Council,  
British Trust for Conservation Volunteers,  
National Conservation Corps,  
Zoological Gardens,  
Regent's Park, NW1.  
July 19.

From Mr Andrew C. H. Brown  
Sir, Mr Gerald Curtis (July 19) calls upon the Ministry of Agriculture to "raise, train and equip a

### Freedom of the press

From Mr Anthony Lewis  
Sir, In writing (July 19) about the legal status of the American press, Mr Louis Heren says "the Watergate decisions" established that freedom of speech and of the press "are not synonymous, and that the press has a larger freedom than the individual". There are no such "decisions".

Mr Heren correctly refers to a speech by Mr Justice Stewart advancing that notion. But Justice Stewart has not followed the theory in his own judgments on the Supreme Court, and no decision reflects it. Neither judges nor the public in the United States would accept the idea of journalists as a privileged class. Freedom of the press rests on a sounder base.

A year ago, in the case of *Saxbe v. Washington Post*, Mr Justice Powell gave what I think would be the view generally accepted on the Supreme Court. The constitutional clauses protecting freedom of expression, he said, "secure the rights of every citizen; they do not create special privileges for particular groups or individuals". Then he stated the principle underlying freedom of the press:

"What is at stake here is... the ability of our people through free and open debate to consider and

resolve their own destiny. ... Public debate must not only be unfettered; it must also be informed."

"An informed public depends on accurate and effective reporting by the news media. No individual can obtain for himself the information needed for the intelligent discharge of his political responsibilities. For most citizens the prospect of personal familiarity with newsworthy events is hopelessly unrealistic. In seeking out the news the press therefore acts as an agent of the public at large. ... By enabling the public to assert meaningful control over the political process, the press performs a crucial function in effecting the societal purpose of the First Amendment."

In Britain there is no First Amendment, but I venture to think that the theory of the press's function in a democratic society is not very different. With the case of the Crossman Diaries pending, it seems important to make clear that the decisions of the American Supreme Court treat the press's freedom as a necessary aspect of its function as an agent of the public in a democracy.

Yours faithfully,  
ANTHONY LEWIS,  
As from 84 State Street,  
Boston, Massachusetts,  
United States.

## The governance of Scotland

From Mrs Jo Grimond  
Sir, Mr Spratt is right (July 21) that the public in Scotland are having second thoughts about government reform, but in making this an argument for delaying a Scottish Parliament he is simply repeating the mistake by which the recommendations of the Wheatley Report were put before those of Lord Kilbrandon on the constitution.

This mistake arose of course out of a deliberate attempt to stave off constitutional reform in the hope that more local government would satisfy the need for "more government nearer home".

The answer to the situation is not now to renounce the sensible reform of a Scottish Parliament, but to ensure that this will be accompanied by a simultaneous reduction of local councils from twenty in all-purpose authorities. At the same time Government at Westminster should follow its pay pause by a similar self-denying ordinance in relation to legislation.

As Mr Spratt remarks, Scotland is experiencing soaring rate increases, brought about not only by the operation of NALGO within the National Joint Council (beside whom the NUM are learner-drivers) but mainly by the proliferation of laws spawned out by Parliament requiring enforcement by local authorities, of which "Health and Safety at Work" and the Community Land Bill are two examples, good and bad.

Good or bad, we simply cannot afford to administer such measures at the same time when the production of wealth must be our priority and when, even in the context of democratic reform, government nearer to us but most definitely not more laws, is what is needed.

LAURA GRIMOND,  
71 New Green,  
Richmond,  
Surrey.  
July 23.

### BBC advisory machinery

From Mr Brian Mead  
Sir, As a BBC advisory councillor for the past five years of the Regional Council for the South and West, I write to support the need for an independent broadcasting council on which Mary Whitehouse focuses attention in your article published today.

Quite by chance, there also appeared in the press today (July 21) a report that the BBC had apologised to a leading Portuguese politician for lapses in its professional standard, but refused to make an apology on the air "because we do not normally do this kind of thing on the air". It follows that, abnormally, the BBC does apologise on the air; but that the Corporation itself alone decides whether a cause for apology is normal or abnormal.

This is typical of BBC policy which, as Mary Whitehouse rightly points out, so frustrates advisory councillors. I frequently complained of the ineffectiveness of the BBC advisory machinery set up to comply with the Charter but used in a way which led me more than once to describe their advisory councils as a mere facade. Time and again I have given instances of public disquiet and downright disgust at a variety of "lapses of professional standards" both to the Council and to officials at Broadcasting House. Almost always, however, I met with an impenetrable wall of self-defence. Leaving the power of broadcasting almost entirely with professionals without effective independent control is a grave danger not only to the public but also to British broadcasting as well.

If the BBC claims that the present advisory machinery is right, then why should they fear that independent advisory machinery would be wrong? The only difference between the two systems is that in the former, councils are selected by the BBC whereas, in the latter, they would be elected independently. Is that where Mary Whitehouse hurts? Yours sincerely,  
BRIAN MEAD,  
50 William Road,  
Bournemouth, Dorset.

### The American Loyalists

From Mr Robin May  
Sir, The British have always been notoriously ignorant about American history, and it is no surprise that MPs, as reported in *The Times* (July 18), laughed when Mr Stokes asked that the Loyalists of the War of Independence should never be forgotten. John Adams, the second President, wrote that "full one-third were adverse to the revolution" and that a third had no time for it, and few have challenged his estimate.

Yet outside English-speaking Canada, almost entirely founded by emigrant Loyalists, those who stayed loyal to the Crown have always been underrated, except by a handful of distinguished American historians. Of course, the right side won the war, but the Commons should be ashamed of itself for laughing at British Americans who wanted to remain British. Yours faithfully,  
ROBIN MAY,  
23 Malcolm Road,  
Wimbledon, SW19.

### Words and music

From Mr Robin Ray  
Sir, I read with some interest, and no little alarm (Radio 4 Changes—July 22), that Mr Robin Day will shortly be presenting a classical music programme on Saturday mornings.

I had hitherto been under the impression that the BBC's offer to introduce these programmes had been made to me, and so may I, through the courtesy of your columns, put to Mr Day the following proposition: if he will promise not to talk about classical music, I will promise not to talk to the Prime Minister.

I remain, Sir,  
Yours faithfully,  
ROBIN RAY,  
30 Milner Street, SW3.







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# THE TIMES

## BUSINESS NEWS

مكازم التحليل

Who says money  
can't buy  
happiness?  
Don Zola.  
World's most exquisite  
cream sherry.

### Money supply growth at lowest for a year as Bank maintains tight grip

By Tim Congdon

Money supply growth slowed down last month, according to figures released yesterday by the Bank of England. Both the narrowly-defined supply, M1, and the broadly-defined supply, M3, showed almost no growth from May.

M3, which is widely considered to be the most reliable indicator of the economy's liquidity, rose at an annual rate of 5.9 per cent in the three months to June, the lowest rate of increase for a year. This rate of increase is appreciably below the growth rate of money national income over the same period.

The Bank of England has therefore maintained its highly restrictive monetary policy as part of the Government's attempts to contain inflation. The suggestions made by some financial analysts that conditions have been too easy in the last two or three months do not seem to have been confirmed.

Recent moves by the authorities in the discount market also reinforce the impression given by the money supply figures

#### MONEY SUPPLY

The following are the figures released for the monthly amount of the money stock, seasonally adjusted, at the mid-month make-up date:

	M1 £200m	M3 £200m	Percentage change over 3 months at annual rate	Percentage change over 12 months at annual rate
1974				
June	12.4	35.5	6.3	0.6
July	12.6	34.8	0.0	13.8
Aug	12.7	34.9	6.8	16.5
Sept	12.7	35.0	11.1	18.6
Oct	12.9	35.2	11.7	6.9
Nov	13.0	35.6	10.0	7
Dec	13.2	35.8	17.0	10.0
1975				
Jan	13.7	36.0	28.3	9.7
Feb	13.7	36.3	19.1	8
March	13.9	36.8	20.5	9.1
April	14.3	36.8	17.0	8.8
May	14.3	37.4	21.8	10.6
June	15.1	37.3	12.9	5.9

Figures affected by change in classification

Lending Rate will be raised to 10 1/2 or 11 per cent on Friday from its present 10 per cent level.

M1 also grew slowly in June, but interpretation is made more than usually difficult by changes in classification which have followed a major review of statistical information by the Bank. The effect of the reclassification has been to include certain money in the M1 figures and therefore to cause the new series to be much above the old.

The slow growth in the money supply is mainly attributable to a marked slackening in private demand for credit. Sterling lending to the private sector fell by £220m (after seasonal adjustment) in June.

This was offset, however, by a large increase in bank lending to the public sector of £37m (after seasonal adjustment). The Central Government's deficit was only partly covered by sales of gilts and securities, which would suggest that the banking system's holdings of Treasury bills increased significantly. But large gilt sales this month will probably hold down money supply growth again.

### Textile trade disappointed at state aid measures

By Patricia Tisdall

Government measures to aid the textile, clothing and footwear trades were received with disappointment last night from several sectors. Mr Eric Varley, Secretary of State for Industry, told Parliament yesterday that the measures would provide for only up to £20m worth of state funds, less than half the £42m requested by the economic development committee for the clothing industry.

But the main concern particularly from the textile and footwear industries is that the proposed restraints on imports will not take effect quickly enough.

Mr Peter Parker, chairman of the clothing EDC described the measures as a "triumphant conclusion to two years of tripartite work of the clothing EDC".

But Mr C. M. Purvis, company secretary to the British Textile Confederation said that although he welcomed the measures as far as they go, he will have little effect on the industry's immediate problems.

Mr Varley's plans included seven specific steps to aid the textiles, clothing and footwear sectors. In addition to up to £20m to help modernize and reequip the clothing industry, discounts with other sectors are to take place to explore schemes where financial resources are needed.

Thirdly, government departments, which themselves buy around 2 per cent of the textile industry's output are being asked to "buy British".

Several methods of re-inflating demand for exports were examined, including a suggestion that textiles should be zero-rated for value-added tax, but were rejected on the grounds that they would help importers as well as home producers.

Also extensively discussed was government assistance to build textile stockpiles, but this was rejected on the grounds that it could harm an already weak market and because of the fashion-sensitive nature of the business.

The measures do include some strengthening of existing safeguards against imports, but as expected, there are no "On footstep, Mr Varley said that Poland, Romania and Czechoslovakia had agreed to drop imports to between 5 and 10 per cent below the 1974 levels.

The Government's fifth measure is to extend surveillance licensing already in operation for some clothing and textile imports from non-EEC sources to the entire range of these products.

The final two steps were a promise to act promptly on proven cases of dumping and to say that the ceilings on duty-free imports from Portugal would be properly applied.

### Speculation on Leyland post after Lord Kearton leaves Courtaulds

By Clifford Webb

Lord Kearton's unexpected announcement yesterday that he is resigning the chairmanship of Courtaulds six months before he reaches the official retirement age of 65 was being widely interpreted last night as clearing the way for him to become the first chairman of British Leyland Limited.

It is now nearly three months since Lord Ryder's committee reported on the restructuring of Britain's ailing motor giant, and Mr Alec Park was named as managing director.

The continued absence of a chairman has led to increasing reports that Lord Ryder was finding it difficult to fill the post with an industrialist of sufficient standing with both the business world and the present Government.

Lord Kearton meets both criteria and has already played a key role in the motor industry. As founder-chairman of the Industrial Reorganisation Corporation, the forerunner of the National Enterprise Board, he was called in by Labour ministers to "smooth" the merger of BMC and Leyland Motors.

For several months during winter of 1967-68 he acted as a mediator between the then Sir Donald Stokes, head of Leyland, and Sir George Harriman, chairman of BMC.

There are many who insist that without Lord Kearton's patience and diplomacy, Leyland would have become involved in a bitterly contested takeover bid for BMC.

About his future plans he was typically impish. He said he had no new responsibilities in mind but added with a chuckle, "but then things happen to me". If an offer of a job came from Government quarters he would naturally consider it, but it would depend on the nature of the job.

Lord Ryder was equally guarded when asked to comment on last night's reports that Lord Kearton would soon be named chairman of British Leyland. He said, "I have no comment to make at this stage. The chairman will not be named until the British Leyland proposals have gone through the courts."

The Court of Chancery hearing required by the Companies Act is down for next Monday with British Leyland Limited due to come into being on August 11.

Desmond Quigley writes: Unless there is a last minute rush, it seems likely that British Leyland will be left with a number of private shareholders staying in the company despite the Government taking a majority stake.

The deadline for accepting the Government's 10p share cash offer expires this afternoon and it now seems that as many as 100,000 shareholders have declined to take up the offer. They could hold as much as 35 per cent of the capital, although this is likely to be diluted to under 15 per cent once the rights issue has been made.

Business Diary and Financial Editor, page 19



Lord Kearton: A good time to leave Courtaulds.

### Singapore censure for Haw Par board

By Desmond Quigley

Haw Par's tangled affairs took a new twist yesterday when the Singapore Securities Industry Council publicly censured the company over the handling of the proposed link-up with Pemas Securities, part of the state-controlled Malaysian National Corporation.

The council said the board committed a "lagrant breach" of the takeover and merger code by failing to inform shareholders of negotiations with Pemas before the share deal was agreed.

The board was also censured for "inexcusable disregard of the provisions of the code and of council" for failing to agree the deal and for failing to provide a copy of the Pemas agreement until two weeks after it was announced.

According to Reuters, the council said that those found not to have conducted themselves according to the code on matters of takeovers and mergers, the board and the securities market in doubt and will find that the facilities are withheld from them.

It was not clear whether this threat was directed at the company, the board, or both. The shares are already suspended in Singapore.

But the council cleared directors of insider dealing and of transferring control of the company to Pemas without consent of the council. However, the company is still the subject of investigations by both the Singapore Stock Exchange and government inspectors.

A Haw Par spokesman in Singapore said last night that the ruling had not been conveyed to the company, but nevertheless "gives us a sense of direction and we now know where we stand".

### Stronger day for sterling

By Melvyn Westlake

Helped by speculation about a sharp rise in British interest rates, the pound rose sharply on the foreign exchanges yesterday. It rose 10 points against an almost equally strong dollar, to close at \$2.1795.

But most of the pound's advance was at the expense of the other European currencies. Its "floating devaluation" against 10 key currencies, from the base date of December, 1971, improved at the close to 25.9 from 26.3 per cent overnight.

It was yesterday at its best level for almost six weeks. There was a strong belief in the City that the Bank of England had taken advantage of sterling's strength to buy dollars to add to the country's official reserves, which were partly rundown to support the pound during its recent heavy falls. Similar official dollar purchases were also thought to have taken place on Tuesday.

In addition to the widespread expectation of higher interest rates, the pound was also still benefiting from improvement in sentiment towards the currency which followed the announcement of the Government's new pay restraint policy, and the existence of reserve powers that can be adopted to force compliance.

### Top US adviser sees stronger upturn ahead

From Frank Vogl  
Washington, July 23

Mr Alan Greenspan, chairman of the Council of Economic Advisers, today suggested that economic developments in the first half of this year had set the stage for an economic recovery which might well be stronger than had earlier been forecast.

He said there would be a return to real gross national product growth this quarter, and that inflation for 1975 as a whole would be held within a range of about 6 to 8 per cent.

Mr Greenspan, who today probably enjoys more influence over President Ford's thinking on the economy than any other individual in Washington, said that even the immediate decontrol of United States oil prices would not have a "significant disruptive effect upon our recovery".

In a statement to the Joint Economic Committee of the Congress he radiated far greater optimism about the economic outlook than is generally to be found today on Wall Street.

Among government and academic economists the widespread view is that the upturn will be extremely slow, but this was not the impression given by Mr Greenspan.

Senator Proxmire, chairman of the Senate Banking Committee, suggested that the economic

### 4.5 million may breach pay ceiling, CBI says

By Edward Townsend

The CBI has calculated that some workers in private industry may qualify for automatic rises of up to £15 a week before negotiating on the £6 figure, with public sector employees entitled to £2 to £3.

Mr Adamson said it seemed likely that workers on a graded salary structure might also be allowed their increases, and these, plus those on increments, added up to a sizable proportion of the pay-to-use stage where this policy hits mainly at the blue-collar worker on the factory floor," he said.

It seems to us that there cannot possibly be a public understanding of fair misery for all if several millions will be seen to be getting over and above what the policy lays down for the rest."

Mr Adamson stressed that the CBI was concerned that the policy should work, and had tried hard in recent weeks to persuade Mr Wilson and other top ministers to accept changes. If not, the chances of the policy failing in its aim to reduce inflation to an annual rate of 10 per cent by next August were very high.

### Call to put up jobless benefits

By Paul Routledge  
Labour Editor

TUC leaders, worried about the rising unemployment, are to press the Government for improvements in unemployment benefit.

The TUC general council yesterday decided to seek further talks with the Government for Social Security. Their chief demand will be for a lengthening of the period in which the out-of-work are able to draw benefit.

"At a time of high and rising unemployment, particularly among older workers and school leavers, we believe that the duration of unemployment benefits should be increased, and there should be benefit provision for new entrants to the social security system," the TUC said.

The unions will also be asking for relaxation of the rules governing benefits in periods of short-time working, which is rapidly on the increase.

Union leaders will also extend their proposals for safeguarding the jobs of workers threatened by redundancy with a clearer definition of their ideas on a temporary employment subsidy, which the Government has promised will be introduced as soon as possible.

### Shares and gilts shake off early gloom

At the start of the day yesterday but eventually came through well. The market's disquiet at the prospect of an increase in minimum lending rate pushed down prices at the opening in all sections, but the early gloom was soon shaken off and prices recovered from mid-morning onwards.

"Shorts" showed losses of up to 1 1/2 point at one stage. Jobbers widened the margin between buying and selling prices in erratic trading. But selling died down and a rally developed. Some stocks were only 1 point down on the day.

The same pattern was reported in "longs". Falls were generally contained to 1 point, with dealers describing the undertone in this part of the market as quite firm by the close.

Leading industrial shares were also well down, though "bear closing" and brighter-than-expected remarks from the Courtaulds chairman brought a slight rally at the end of trading.

### German banks freeze issue of new DM Eurobonds

From Peter Norman  
Bonn, July 23

West Germany's Federal Bank and underwriting banks agreed today to freeze the issue of new DM denominated Eurobonds and private placements until the end of August to help ease the domestic bond market out of a gathering crisis.

The central capital market committee, which brings the Federal Bank together with the issuing banks, met in Munich against a background of unprecedented Federal Bank support for the German bond market.

Observers estimated that on the bourses of Frankfurt, Düsseldorf, Munich and Hamburg the Federal Bank bought a nominal DM400m worth of

### Fall in spending points to further erosion of wages

Further evidence that rising prices are now severely eroding the purchasing power of the pay packet is revealed in figures for consumer spending published yesterday by the Central Statistical Office.

In the second quarter of this year consumer spending dropped to its lowest level for two years, excluding the exceptional circumstances of three-day working during the early months of 1974.

This followed a drop in the previous three months. But the rate of the decline in spending has accelerated. It reinforces the picture revealed by figures for the volume of retail trade business, which has shown a marked drop in recent months.

Retail trade spending accounts for about half all consumer expenditure. The fall in such expenditure during the second quarter amounted to some £100m, the equivalent of an annual rate of decline of some 4.8 per cent. In the previous quarter there was a drop of about 1.7 per cent at an annual rate.

Not since the second quarter of 1972 has there been a greater quarterly percentage fall than during the April-June period this year—even at the time of the energy emergency and three-day working.

### Labour hold up 'threat to N Sea'

By Roger Violevoe

Blame for failure to tackle a serious manpower shortage for North Sea projects is placed on the Government and the universities by the House of Commons Select Committee on Nationalized Industries.

The committee says the shortage threatens to limit the exploitation of North Sea oil and gas resources. The British National Oil Corporation also faces staffing problems, particularly if its salary scales are tied to other nationalized industry levels.

After investigating the role of the nationalized industries in exploiting offshore energy reserves, the committee says the Government has not used the opportunities for gaining information about offshore activities from the British Gas Corporation and the National Coal Board's participation in various exploration consortia. It also suggests that more information should be made available about the operations of the gas and coal authorities' exploration companies.

The report says that an important part of the country's future economic prosperity depends on the exploitation of offshore oil and gas, and the shortage of staff was likely to be a serious limiting factor. High priority for the allocation of funds to universities and colleges for "petroleum studies and for the basic professional disciplines such as geology and geophysics" is recommended.

"A relatively small injection might yield large dividends," it adds. Mr Russell Kerr, chairman of the committee, said yesterday that universities had a good idea of what was required of them but did not have the financial resources to provide the necessary courses.

He said the report was completed four months ago, before

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increased profits.

- \*Pre-tax profits were £303,000 compared with £243,000 in 1974 on turnover increased to £2,817,000 compared with £2,300,000. The maximum permitted increase in dividend is recommended.
- \*The Materials Handling and Warehousing Division has been fully utilised during the year. Sales of fork lift trucks continue to increase at home and considerable growth has been made in our export markets.
- \*The Cleaning Materials Division continued to expand its export sales although home sales were more difficult towards the end of the year.
- \*The Oil Division enjoyed a very busy year with increased throughput from our oil re-cycling and anti-pollution services.
- \*The air of uncertainty and lack of confidence in future industrial opportunities continues to increase. This climate is affecting current trading and it would be unrealistic to expect that turnover and margins can be maintained while it lasts.

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#### CONSUMER SPENDING

The following are the figures for consumers' expenditure seasonally adjusted at constant 1970 prices, released by the Central Statistical Office yesterday:

	£m	%
1972 Q1	8,329	3.5
Q2	8,482	6.6
Q3	8,595	5.8
Q4	8,798	7.9
1973 Q1	9,081	15.1
Q2	8,788	-11.8
Q3	8,955	7.4
Q4	8,957	0.1
1974 Q1	8,855	-4.5
Q2	8,791	-2.9
Q3	8,964	8.1
Q4	9,098	6.1
1975 Q1	9,059	-1.7
Q2	8,950	-4.8

\* Preliminary estimate.

#### How the markets moved

The Times index: 124.75 - 2.25  
The FT index: 288.5 - 5.8

#### Rises

Barr & Wallace	2p to 43p
Bracken Mines	5p to 29p
Cottrells	1p to 14p
Dimplex	1p to 1p to 6p
Elec & Gen	2p to 60p
Geduld Inv	20p to 42p
Gillett Bros	15p to 140p

#### Falls

Barclays Bank	10p to 242p
Beecham	5p to 27p
Am Tob	5p to 28p
EDF	4p to 15p
Fisons	10p to 33p
GKN	3p to 207p
Imperial Grp	2p to 63p

Equities staged a minor rally at the close.

Gilt-edged securities sustained heavy losses.

Sterling rose by 10 points to \$2.1795. The "effective devaluation" rate was 25.9 per cent.

#### On other pages

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#### THE POUND

	Bank	Bank
	buys	sells
Australia \$	1.72	1.67
Austria Sch	39.75	37.75
Belgium Fr	86.80	85.25
Canada \$	2.28	2.23
Denmark Kr	12.95	12.55
Finland Mks	8.25	8.00
France Fr	9.60	9.30
Germany DM	5.65	5.45
Greece Dr	70.25	68.00
Hongkong \$	11.15	10.75
Italy Lr	1560.00	1500.00
Japan Yn	670.00	645.00
Netherlands Gld	5.80	5.60
Norway Kr	11.50	11.45
Portugal Esc	57.00	55.00
S Africa R	1.84	1.76
Spain Pes	127.50	122.50
Sweden Kr	9.40	9.10
Switzerland Fr	5.95	5.75
US \$	2.72	2.67
Yugoslavia Dnr	38.75	36.75

Gold fell by \$1.00 to \$164.30 an oz.

SDR-5 was 1.9990 on Wednesday, SDR-5 was 0.551425.

Commodities: Reuters' Index closed at 1,113.6 (1,118.5 five days).

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**MOULINEX**

(1) TURNOVER  
The figure for sales excluding taxes for the 1st quarter of 1975 was \$75.7 million as compared with \$71.4 million for the first six months of 1974. This represents an increase of 104.3 million i.e., 22.12%.

Export sales included in the sales amount to 276.4 million as compared with 201.4 million for the first quarter of 1974—an increase of 37.24%.

(2) BONUS SHARES ISSUE  
The issue of 1,128,162 bonus shares decided upon by the Board meeting of 30th May 1975, will begin on 4th August and will be made on the basis of one new share for six old shares. This right is represented by Coupon 2. The right will be quoted on the Stock Exchange on the same day.

This distribution will be carried out without charge at the offices, branches and agencies of the following banks in France:

Banque Nationale de Paris  
Credil Lyonnais  
Societe Generale Credit Commercial de France



## Co



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LIMITED

The Resolutions for the adoption of the Directors' Report and the Accounts, for the re-election of Directors, and for the payment of the final dividend on 31st July were carried at the Annual General Meeting held on 23rd July 1975.

Copies of the full Statement and of the Annual Report can be obtained from The Secretary, Courtaulds Limited, 18 Hancover Square, London W1A 2RR.



BY THE FINANCIAL EDITOR

# Courtaulds looks to the second half

Lord Kearton had plenty of opportunity to exercise his leadership in the dramatic annual meeting yesterday. First of all there were the lowering skies, of depression, with vanishing orders, plunging profits and Courtaulds alone against the elements; then there was the bright gleam of hope on the horizon; and finally there was the thunderclap announcement of his own resignation.

The last factor apart, what the investor has to deduce from all this is that it is now time to start buying. Courtaulds shares. As against the 579.3m pre-tax returned at the interim stage last year, results for the six months to the end of September this time are going to be dire. That the interim dividend will be covered involves nothing better than some 100m before tax, but the group should produce rather more than that since it is currently in the black and there is plenty of evidence from other sources that demand, particularly for man-made fibres, is picking up.

The problem for Courtaulds now is that the bulk of the improvement seen so far has been in North America and to a lesser extent in Europe; and relative to its international competitors Courtaulds is still strong in the United Kingdom. This, however, need not deter would-be investors, for the management reckons to see signs of an upturn in the United Kingdom markets in which it operates.

And given Courtaulds's still strong, liquid position, any signs of improvement mean that the dividend—and thus the 7.8 per cent yield at 110p is safe; indeed, it rather sounds as though Courtaulds may even now be contemplating upping its payout by the 10 per cent permissible. In the context of a potential second-half performance which has analysts guessing at anything up to £90m (as against £125m) for the year, and of a slackening level of capital spending, it is certainly possible to hope for such a development.

## Unigate

### Long term attractions

Predicting Unigate's pre-tax profits is a somewhat hazardous exercise because of the vagaries of the retrospective margin towards from the Ministry of Agriculture. In the first half, the group's milk and dairy products sales, at the interim stage, these had grossed £127m, of which the group had taken credit for half; after 10 months, at the time of the rights issue, the figure had increased to £151m; but in the closing two months, another £16m came in to raise the total from £663,000 to £1,636m for the full year.

But ignoring this, the improvement on trading of 13 per cent to £213m owes much to the success on the milk side. Here there was a useful gain after the 30 per cent adjustment in the target profit to marginally over 2p a gallon and a 2.8 per cent growth in liquid milk consumption. But though milk shortages hit butter production—group manufacturing capacity was closed down for six rather than the usual three months because of the worsening supply position—margins were helped by the milk pricing adjustments, distribution, profits on imported butter and material stock profits.

The £121m rights issue remains intact while group borrowings over the year were down by £4m to £13m. Subsequently liquidity has been helped by a further margin award, while overall stocks are running at lower levels too. Yielding a fat 9 1/2 per cent at



Sir James Barker, chairman of Unigate: pork price problems

41p, the shares are selling at eight times historic earnings on the pre-rights capital. On the post rights equity, the ratio rises to 9 1/2. There appears to be a strong possibility this differential could be at least halved in the current year, which suggests a buy recommendation for the longer term.

## Gilts

### Defending sterling

Sterling and the dollar may have continued to benefit yesterday from expectations of rising short-term interest rates, but there was certainly no joy to be had for stock markets. Gilts continued the slide begun the previous afternoon before picking up later in the day accompanied by suggestions that the government broker may have chosen temporarily to reverse his recent role of seller to that of buyer.

Not, of course, that there is any particular reason for the market to alter its view on the fundamental attractions of long gilts at this stage. But as I pointed out at the end of last week, a considerable part of the money that rushed into the Treasury 13 1/2 per cent 1997 issue was almost certainly there simply for a short-term—indeed, it turned out, unprofitable—ride. More interesting perhaps is what happens now to the short end of the market. The market view appeared to be hardening yesterday that Minimum Lending Rate could go up by a full point tomorrow, in which case shorts could still be vulnerable. But the market will not only be looking at the expected hike in MLR tomorrow. It will also be watching what happens to prime rates in the United States.

## Ciba-Geigy

### Another convertible

The sterling bond market remains as rigidly closed to United Kingdom companies as ever but foreign companies with substantial United Kingdom interests have begun to exploit the market with considerable success. First we had Ennis raising £5m through a sterling guilder convertible,

then Hoechst with a £15m unsecured loan stock carrying warrants and now Ciba-Geigy's United Kingdom subsidiary is believed to have completed plans for a placing of £10m of 20-year convertible loan stock. As far as the United Kingdom institutions are concerned, of course, the selling point for all three stocks has been that they can be expected to be sensitive to movements in the underlying equity and thus provide a way into an overseas investment without the necessity to go through the investment currency premium. In practice most institutions hold for the long-term, the secondary market interest essentially revolving around arbitrage operations by non-United Kingdom residents.

Ciba-Geigy itself is a relatively old hand at this sort of funding. The present issue closely resembles one done a year ago, except that the coupon is 8 1/2 per cent against 8 per cent—a handsome margin over the 2 per cent yield on the equity. Conversion is at a price of 1,120 Swiss francs, only marginally above the present market price, taking the franc conversion rate at 5.77. The funds are earmarked for expansion and working capital in the United Kingdom, where Ciba-Geigy recently reported a 17 per cent sales rise, albeit with a warning that demand was deteriorating fast.

## Courts (Furnishers)

### Growth record still intact

Courts (Furnishers) maintained a perhaps surprising degree of momentum in the second half of last year compared to the generally flat trend in consumer durables sales. By value, Courts' sales were 28 per cent ahead in this period compared with a 17 per cent advance in the first half. Inflation was a factor, but so was increased volume.

The improved trend in the second half came through trading profits too, which were 16 1/2 per cent up following a rise of less than 5 per cent in the first period. At the pre-tax level the picture looks different, with an 11 per cent drop there in the second half—transfer to deferred profit reserve (as the proportion of credit sales rose) after a £7,000 transfer from the reserve in the first half. The year-end reserve stood at £5.76m.

However, cash sales still represent 60 per cent of the total and, as yet, a little trading down in furniture and carpets seems to be the only evidence of consumer hesitancy during the recession. That picture could change somewhat in the United Kingdom, though so far this year both turnover and profits are apparently ahead of last year both in the United Kingdom and overseas—the latter producing around 40 per cent of profit last year.

The group policy of keeping prices down to maximise turnover seems to be effective, while the fact that most of the (mainly freehold) stores are away from prime town centre developments is helping cost control and margins. A good dividend position and net assets of around 134p a share (on directors' valuation of properties) are also defensive points. At 56p the shares yielding 7 per cent and on an historic p/e of 5, look soundly based.

**Final: 1974/75 (1973/74)**  
Capitalization £7.7m  
Sales £28.4m (£23.1m)  
Pre-tax profits £3.48m (£3.26m)  
Earnings per share 11.3p (10.8p)  
Dividend gross 5.92p (5.36p)

# Lurching towards a trade credit war

The danger of an international trade credit war grows more serious with every month that the world economic recession continues. For while government ministers everywhere profess their concern over cut-throat export competition, the pressures to sell more overseas markets and protect jobs at home intensifies as the economic climate worsens.

The superficially attractive solution for many countries is to sell abroad on terms that allow foreign buyers to delay paying for many years, or repay in instalments. Often this is done with the help of low interest rates subsidised by the exporting country (as in the case of Britain's recent deal with Russia).

Effectively, only an ambiguous and fragile "gentlemen's agreement", signed in Washington last autumn by five leading industrial countries (and subsequently endorsed by two others), prevents a serious degeneration in the fiercely competitive terms offered to overseas buyers by the major exporting nations. The current situation—United States, Britain, France, Italy, West Germany, Japan and Canada—intended this agreement as an interim measure to contain the problem of trade credit rivalry while they continued to thrash out a more substantial accord.

It is now nearly two years since the start of these negotiations, aimed at providing a fundamental framework of rules for governing international trade credit. Yet the likelihood of achieving this ambition remains as distant as ever.

If brought to fruition it could be as significant and as momentous for the conduct of world trade as GATT (General Agreement on Tariffs and Trade) has proved to be.

It would provide a code of practice for granting international trade credit, covering the maximum length of loans, the minimum rates of interest, the size of the down-payment, minimum bank fees, and other aspects of such transactions which ingenious officials can manipulate to induce foreign customers to buy their nation's goods and services.

Control of world trade in this area has never been within the grasp of GATT, partly because largescale credit is a relatively new phenomenon and constitutes a very different threat to orderly trade than the conventional tariffs and other barriers. However, alarm at the growth of trade credit was being voiced long before the present trade recession.

For many years trade credit agreements to promote exports, private companies, semi-public bodies or government-run institutions, like Britain's Export Credits Guarantee Department, have been used not only to insure exporters against possible non-payment by their overseas customers, but also to underwrite the banks when they made advance payments to exporters, against overseas contracts, ahead of any settlement from the buyer.

In this way exporters were assured of more bank finance than they might have received had it rested on the commercial judgment of the banks alone.

However, since the late 1960s these practices have been much refined and extended. Many countries began making money available to foreign purchasers of capital goods on long-term contracts at subsidised rates of interest. Only this February, a further twist was given to the competitive trade spiral when Britain followed France and Italy in introducing a "cost escalation" scheme.

Under this scheme the Government will contribute to some of the increase in an exporter's costs caused by inflation. Although this is not strictly trade credit, it still amounts to a further subsidy, and licensed the Americans who hinted that it could endanger even the interim "gentlemen's agreement".

Yet Mr Denis Healey, the Chancellor announced a still further innovation in his Budget—the provision of pre-shipment finance. This means providing funds at preferential rates of interest for the actual manufacture of products for export.

Of course such support for exports is very expensive, both in monetary terms and in the degree of economic distortion it creates. Mr Edmund Dell, the Paymaster-General, recently told a conference on export credit policy, organized by the Royal Institute of International Affairs, that export subsidies cost Britain £150m in 1974-75.

He said there was £3,000m outstanding at rates of interest between 3 1/2 per cent (going down to 5 1/2 per cent) and most of the £2,000m worth of forward commitments were also at lower rates.

Moreover, inflation considerably increases the real cost of giving credit, because it benefits the borrower at the expense of the lender. Indeed, under Britain's new escalation scheme, a foreign buyer could get a double benefit. For while his imports from this country would not reflect the high level of inflation, he might nonetheless benefit from a depreciating exchange rate for sterling. In this way Britain is, in effect, making a present of its exports to its foreign customers.

Speaking at the same conference Mr Robert Fell, a former boss of the ECGD—now chief executive of the Stock Exchange—warned that such a national trade credit policy was so ruinous "that we should be glad to see competing countries cutting their own throats with our joining the blood-letting".

Yet it is clear that the motivation for pursuing a space and cheap credit has become very blurred. It is no longer mainly to help the balance of payments. Trade credits now form part of industrial, regional employment, and even political policy.

Japan and France have used export credits to develop new industries for which the domestic base was insufficient. Britain and Italy have used such credits to support regional policies.

In some cases ailing industries and ailing firms are propped up by the use of export promotion devices. It has already been reported that Britain's troubled Chrysler car group might be the first to qualify under the new pre-shipment finance scheme. This would be one way of channelling funds to the 60th anniversary of the ECGD.

As Mr Fell pointed out, having started as a major activity export credit under ECGD has been identified almost as a public sector tap. Even the West Germans, who are not among the main offenders, have been known to use trade credit to increase their share of the world market for technologically advanced sectors like aircraft and computers. Finally, some countries, notably the French, provide cheap credit as part of their development aid programmes to the Third World.

Although the proportion of world trade conducted on credit is not large overall, it is now very sizable in absolute terms. The proportion is almost certainly under 10 per cent. For Britain, the proportion of exports that are sold on subsidized interest rates has never been above 6 per cent of total foreign sales.

In monetary terms, however, export credit transactions from the main industrialized countries amounted to an average of \$17,000m (about £7,834m) a year during the period 1971-73. About 62 per cent of these transactions concerned sales to developing countries, while sales between industrialized nations accounted for 22 per cent. The balance was for sales to communist countries.

Yet, although the manifest absurdity of much of this credit is widely accepted, the possi-

lities of "de-escalation" seem slight. The best that Mr Dell could offer was that while trade credit competition was inevitable it might, hopefully, be controllable. The cost alone might help in this direction.

It is acknowledged that many of the credit-receiving countries have been remarkably skilful at playing off industrialized nations against each other. For example, the Soviet Union took export credits from the value of just \$60m in 1953. By 1972 some \$1,000m a year was being obtained, and recent estimates for 1973 suggest a figure in excess of \$1,500m.

Perhaps, significantly, it is the French bilateral arrangement with Russia which has been a major stumbling-block in the negotiations for a "gentlemen's agreement".

The vested interests in maintaining, and even extending, the present level of trade credits are considerable. Not surprisingly, many of the developing nations depend heavily on them. And against the high cost which we pay must be put the cost in human terms and wasted resources of still greater unemployment, which would follow the loss of export orders if Britain unilaterally stopped providing export credit.

Arguably, if the industrialized nations did not offer credit inducements to foreign buyers they would instead have to lower prices, with the result that Third World customers could afford to purchase a greater volume of goods. But such an adjustment would be traumatic and almost certainly lead to a net reduction in world trade in the short term.

The real obstacles to so-called disarmament are rooted in the different national systems. The Americans, through the Export-Import Bank, have found it institutionally easy to make long loans of 12 or 15 years, but dislike low interest rates. The French, and some other Europeans, have been more constrained in making long loans because of their banking restrictions, but are more flexible about interest rates.

Although the interim "gentlemen's agreement" establishes an interest rate minimum on trade credits and a ceiling on their length, these constitute no more than "general principles" and "general rules"—which in effect permits the French to have their special credit arrangements with the Soviet Union excluded. At the same time, considerable problems of interpretation "what types of business are covered by the prohibitions on very long credit periods."

For these reasons, together with the fact that the world situation is changing rapidly, the interim agreement is looking very leaky. It was clear when the negotiators—EEC, Japan and United States—last met in May that even the Community countries had not arrived at a common position which could form the basis for extending the agreement. The onus for early reform are not hopeful.

Melvyn Westlake

# 'With mask and antique pageantry...'

Walter Bagehot distinguished between the dignified and the efficient aspects of the British constitution and system of government. The same distinction can be applied to the present Government's economic policies.

There is that which is visible, public and tolerably precise and which lends a venerable air to the whole business, satisfying traditional hangings for traditional forms. And there is that which is invisible, shrouded in obscurity and private and which would shock conventional sensibilities if it were spoken of too openly. None the less, the former is for form and the latter is for real.

The dignified part of the policy acknowledges the full employment as the sovereign objective, deplores the fact that "inflation has seriously shackled the Government in their efforts to take action against unemployment" (The Attack on Inflation, paragraph 22), proposes flat-rate pay restraint as the antidote to this temporary misfortune and concludes triumphantly that "success in controlling inflation is the best guarantee against... massive and indiscriminate cuts in public expenditure with crippling damage to the social services."

That, indeed, is probably still what the Secretary of State for Employment, the majority of the Cabinet, and the Prime Minister—in so far as he exercises his mind at all on such personal questions—actually believe. It is certainly what the public are supposed to believe.

The efficient aspect of the policy is quite different. It acknowledges price stability—or at least stability of the rate of inflation—as the sovereign objective for the foreseeable future. It recognizes that government fiscal and monetary policies, whether directly or by accommodating trade union, Opec and other monopolistic cost pressures, have been the pervasive cause and necessary condition of accelerating inflation.

It proposes non-inflationary—or decreasingly inflationary—based and monetary policies; based on progressive reductions in the budget deficit and therefore on tight control of public spending, as the principal counter-measure against rising prices.

It realizes not merely a low average level of a million and a half or more during 1976 as a by-product of these policies, but also that this is the necessary mechanism through which fiscal and monetary restraint actually works against rising labour costs and that the rest of the associated recession is the necessary mechanism for restraining other cost pressures.

It sees pay restraint first as an indispensable disguise for the true and less palatable nature of the policy and secondly as a harmless, if probably ineffective, invitation in people not to price themselves out of their jobs—in other words to learn the soft-

way before they learn the hard way that the money just will not be there to pay excessive amounts to all.

If the invitation is heeded, that will be all to the good; but the policy in no way depends on it being heeded, although it is acknowledged that the politics of the policy will get more difficult to the extent that the invitation is not heeded and unemployment in consequence rises higher.

From the point of view of the analyst, this opposition between the apparent and the real policy is tiresome. It leads to government pronouncements into undue vagueness on the things that really matter—for example, the omission in the recent White Paper of even a statement about the expected outturn for the public sector deficit this year and of any monitorable target for monetary policy.

## Peter Jay

Economics Editor

It also tends to confuse public and particularly parliamentary debate. Thus the whole perception of the politics of economic policy are misconstrued; and a speech such as Mr Heath's on Tuesday can be taken as a major plea for inter-party unity on a matter of supreme national importance when in fact he was speaking about the dignified aspects of the policy and when the true conflict behind the effect of the policy consists of the Chancellor and the anti-Heath wing of the Conservative Party.

What then is the prospect? Unfortunately it is for more heat than light. Battle will be joined, industrially as well as politically, over new restraint while the crucial efficient factors in the situation remain obscure.

It will continue to be difficult, as W. Greenwell and Co. forcefully demonstrated in its recent commentary on the Chancellor's statement of July 1, to be sure how—if at all—restrictive monetary policy really is.

Once again, as a substitute for knowing what is really happening, public attention will be focused on easily monitorable, but individually irrelevant battles over the application of the economic weapons of workers. Sooner or later the Government will lose a battle, thereby—because of the way it has pretended to draw the battle lines—bringing to harm the country will be pronounced once more to be ungovernable; and every manner of political convulsion will be convulsed to meet the crisis.

There is then a real danger that the efficient part of the policy even if it has been maintained and is steadily working its disinflationary therapy, will be forfeit in the confusion just when lasting progress towards the goal of stability is beginning to be made.

# Business Diary: At the Courtaulds of Sir Arthur

Aside from stonewalling questions about new possibilities for him now he has unexpectedly retired from the board of Courtaulds, Lord Kearton last night had some, perhaps predictably, kind things to say about the board members he leaves behind and especially Sir Arthur Knight, his successor.

"It's an absolutely first-class team," said Lord Kearton. "Two splendid deputy chairmen, one of whom has been a member of the group for at least 20 years who are ready for board appointments."

He says it took his colleagues a day or two to be convinced he was serious about going when he broached his decision a fortnight ago, but then took it all in his stride. Sir Arthur is certainly likely to bring a change of personal style to the running of the £75m fibres, textiles and chemicals giant.

Compared to the outgoing personality of Lord Kearton, who has never been slow to speak his mind on any subject, Sir Arthur is regarded as exceptionally able, who displays the sort of logical approach that easily cuts through detail. Sir Arthur, who is 58, joined Courtaulds in 1939, went on the board in 1958 and was finance director at the time of the ICI-Courtaulds affair in the early sixties.

He was a prominent member of the Kearton team which in the late fifties investigated and developed additional non-textile activities for the group. Appointed deputy chairman responsible for group administration five years ago,

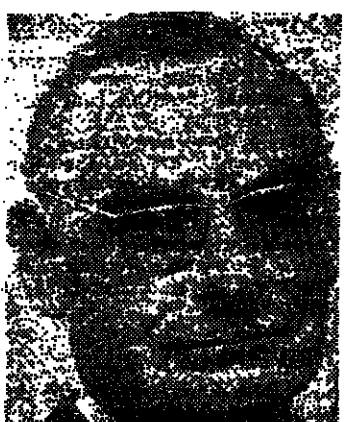
Sir Arthur has a strong economic and business management background—among his other interests he is a governor of the London School of Economics.

But major organizational changes are not expected at Courtaulds the week of his appointment. The group has developed a non-rigid hierarchy that Lord Kearton for one feels has promoted a free flow of ideas with group board members not necessarily regarded as more important company figures than a senior executive running a division.

Lord Kearton, standing back yesterday as Sir Arthur plunged into a series of meetings as new chairman, has now acquired a new, smaller office at Courtaulds headquarters. He is staying on "for a short time" in a consultative role.

**High in the air**  
A survey by the authoritative United States aviation monthly *Air Transport World* shows that many American airline executives are taking salary cuts.

According to ATW, the most highly-paid man in American civil aviation is Harding Lawrence, who runs Braniff International, a potential Concorde operator, who was paid \$340,000 in 1974, compared with \$346,000 the previous year.



Sir Arthur Knight: a logical approach that cuts through detail.

precisely, while Floyd Hall, the brains behind Eastern, demoted himself financially from \$263,975 to \$148,500.

Not all United States airline bosses were in such a benevolent mood, however. Lawrence, of Braniff, D. W. Nyrop, of Northwest, was the highest-paid executive in the sector, with a rise in 1974 to \$274,167 from \$250,000 in 1973, while Edward Carlson, the former hotel man who runs United, the western world's biggest airline, went up over \$100,000 from \$168,750 to \$272,190.

British airline chairmen are the souls of discretion compared with their American counterparts when it comes to disclosing what they earn, but we know that Sir David Nicholson, head of British Airways, receives £17,000 in line with the chairman of other nationalized industries—or rather two thirds

of that sum, because he is part-time.

It could be assumed that he is the highest-paid of all his contemporaries in this country, so the salaries here are mere drops in the ocean compared with the United States, even after the American heads have taken their cuts.

## Filling a gap

Trust-busters in the EEC have forced big changes in the admission rules for Italian dental companies exhibiting their wares at the country's trade fair.

This decision has important implications for similar exhibitions in Britain and West Germany which may also be infringing the Community's strict anti-trust laws.

The Commission's anti-trust department launched an investigation into the Italian case in April last year after complaints from a number of companies that if they attended Expo Dental, the annual trade fair, they were banned from showing their wares during the rest of the year at other Italian exhibitions.

Under pressure from the Commission, the organizers of Expo Dental have agreed to change their rules to allow participants to attend other exhibitions during the period immediately after their annual fair.

## Ice pick

American fund managers certainly can't be accused of being deaf bound when it comes to vetting potential investments,

even if these happen to be in the frozen wastes of Alaska.

A posse of New York insurance and pension fund managers as well as bankers have been travelling around the United States pelting the oilfield in freezing, foggy and otherwise uncomfortable conditions, to size up its investment potential. Some of them even interviewed pipeline men in the rugged working camps to sound them out in the project's engineering problems.

This is why in the end the fund managers gave the thumbs up and thus after nine months of negotiation BP for "British Petroleum" as it is affectionately known in the United States) was able to announce that some 50 United States investment institutions are putting up no less than \$1,750m (nearly £800m) of long-term money for the pipeline project.

By far the biggest private bond placing ever in the United States, this capital issue needed a prospectus "the size of the Manhattan telephone directory", as Quentin Morris, BP group finance coordinator, describes it. That means it's about four inches thick and ranks as excess baggage allowance for BP's jet-setting financial executives.

BP got a "double A" rating for its bonds from the principal United States investment rating agencies, Moodys and Standard & Poor's, not quite up to the most coveted "triple A" rating but "by no means bottom of the heap either" in investment standing, as an executive of Morgan Stanley, one of the leading United States investment banks, said from New York.

# ARLINGTON MOTORS

PASSENGER AND COMMERCIAL VEHICLE SPECIALISTS

## Profit record maintained

Extracts from Mr. N. C. N. Housden's Statement to shareholders.

"I am delighted to report that Arlington has maintained its unbroken record of annual profit increase for the eighth year in succession. I believe this performance to be all the more creditable as it has been recorded against a background of most difficult trading conditions."

"It is too early to be able to forecast the likely out-turn for the current year with any degree of accuracy. We are convinced, however, that we are well placed to respond rapidly to the changing requirements of the market and, in twelve months time, to report satisfactory results in all the circumstances."

Summary of Results	1974/5	1973/4
Sales	£000	£000
Profit before tax	23,339	20,681
Profit after tax	776	768
Dividends	367	346
Earnings per share	208	176
	11.5p	11.5p

Copies of the Annual Report available from The Secretary, Arlington Motor Holdings Ltd., Ponders End, Enfield, Middlesex.



## Record Turnover and Increased Profits

Extracts from Accounts	1975	1974	1973	1972
Turnover	21,474,612	19,412,771	20,348,159	18,463,687
Profit before Tax (excluding exceptional items)	725,477	617,489	795,440	629,714
Dividend per Ordinary Share	7.32p (4.8p Net)	6.61p (4.45p Net)	6.30p	6.00p
Earnings per Ordinary Share	9.7p Net	8.43p Net	13.31p	10.19p

At the Annual Meeting held on 23rd July the Chairman stated that the turnover for the first three months of the current year (April-June) was 22% greater than in 1974 and that the increase in trading profit at least balanced the increase in expenses.

The outcome for the whole of the year however depended too much on the uncertain economic outlook of the whole country for any reliable forecast to be attempted.



## FINANCIAL NEWS AND MARKET REPORTS

## Neepsend reports good start to this year after fine finish

By Peter Wainwright  
Neepsend, the old Neepsend Steel & Tool Corporation, disappointed some observers yesterday by reporting an increase in pre-tax profits from £344,000 to £1,885,000 for the year to March 31 last. There had been hopes of £2m or more. More over the tax charge on these profits was unusually high at £1.1m against £477,000 the year before. Small extraordinary items were only £571p compared with the 6p to 7p hoped for. The shares duly eased a bit.

Even so Neepsend has done extremely well by most yardsticks. Its pre-tax profits shot ahead from £315,358 to £861,675 in the first half year

## Whitbread predicting an improvement this year

By Tony May  
Having seen its pre-tax profit for 1974-75 fall from a record £26.2m to £21.5m, the board of Whitbread expects a higher profit for the year to March 31 next. Mr F. Bennett, chairman, hopes that the reasonable weather experienced so far this year will continue and that resolute action will be taken to reduce inflation.

Meanwhile, the group's £18m offer for Long John International has been accepted on 7.6m shares (95.8 per cent of the equity) and the balance will be acquired compulsorily. Success was assured after the acceptance by Schenley Industries, which owned 73 per cent of the LJI equity.

Acceptances of the offer by Kleinwort Benson for cash for the Whitbread convertible

## Dunlop exports jump by £10m in first half

Direct exports from United Kingdom factories of Dunlop Holdings rose to a record £45m in the first six months of 1975 from £34.5m in the comparable 1974 period. Sales from the United Kingdom tyre group exceeded £10m and those of the aviation division were £3.5m.

Exports of the belting group rose 66 per cent to £1.9m, the three hose divisions 58 per cent to £8.7m. Angus fire armour 45 per cent to £4.5m and Dunlop Textiles rose 43 per cent to £2.1m.

In his recent annual statement Sir Reay Geddes, the chairman, said that although trading in 1975 started slowly it has since picked up. Financial resources for the group were considered adequate.

## Amax bear out hopes but per-share earnings dip

By Andrew Wilson  
Bearing out the optimism of Mr Ian MacGregor, chairman of Amax, that second-quarter earnings would approach the £36m of the first quarter, the actual outcome was a slight bettering at £36.2m. But this compares with the 1974 figure of £38.4m so that in earnings per share there was a decline from £1.35 to £1.19 fully diluted.

The figures are, however, complicated by asset disposals and issuing of further shares. The earnings total for the first half of 1974 of £2.76 per share included 18c accruing from the benefit from the sale of 50 per cent of Alumax, while the corresponding period of the current year saw some 17c extra arising from the disposal of the 18 per cent holding in Miners Frisco, the Mexican lead zinc mine, but diluted by the issue of 5.9m shares to Standard Oil of California, to leave the total earnings, fully diluted, at \$2.47 a share.

Sales for the quarter fell from \$324m to \$242m but costs dropped from \$286m to \$207m to leave operating profits only \$4m lower at \$34.9m. The tax charge was more than halved to \$6.8m. Dividend and interest on the passing of quarterly payments by Tsumeb, O'okiep and Roan for the second consecutive time, slumped from \$6.6m to \$1.8m.

## Stock markets

## Equities firmer at close after MLR cut fears

The strong possibility of an increase in the minimum lending rate brought out some sizeable selling orders among leading industrial shares in the early part of trading on the London stock market yesterday.

Later, the inevitable "bear closing" coupled with some brighter-than-expected remarks from Lord Kearton, chairman of Courtaulds, gave the market a brighter look but at the close the rally was tending to fade.

The FT Index mirrored the sentiment well and by noon had lost 8.2. Three hours later the retreat had been cut by more than a full point to 7.1, but at the close the figure of 288.5 was 5.8 down.

The gilt-edged market bore the brunt of the trend to dearer money with losses of up to 150p in the "mediums" and "longs". At the shorter end reverses were half that.

Once the flurry of action brought about by interest rates has blown over market observers do not expect any decided trend to emerge until the autumn when the annual holiday season will be over and the

result clipped another 5p to 135p from the "A".

The four clearing banks finished the day above the worst but Lloyds 192p and Midland 232p (both due to report interim tomorrow) still managed to shed 8p and 10p. Barclays also closed 10p off, at 242p.

Engineering shares, where the companies involved have heavy borrowings, were hit by the interest rate fears. As examples GKN dropped 9p to 207p and Tube Investments 12p to 230p. Another pitch where borrowings play a part is properties and here losses were heavy with Great Portland down 11p to 196p. Land Securities 8p to 159p, Trafalgar House 8p to 86p and Hammerson "A" and ordinary shares 15p to 340p.

Stores had a better-than-average day even though an official report showed that consumer spending in the first half of this year had fallen slightly from the second six months of last.

Some groups have claimed that the 16 a week pay rise

## Latest dividends

Company	Dividend	Year	Prev
Walsley (Bury), the paper machinery group, lost a couple of pence in its earnings of 0.6p.	0.6	4/9	1.99
Borelli (Tea) Ltd	3.75	24/9	3.75
Bullough (20p) Int	1.68	1/4	4.27
Conoco (Furnishes) (Fin)	0.35	1/10	2.42
Conoco (20p) Int	0.35	1/10	0.70
EAARSH (21p) Int	4.87	5/2	18.42
Gilbert Bros (21p) Int	4.87	1/6	6.7
H. K. & Shand (25.50) Int	0.16	2/8	6.7
Major (21p) Int	4.1	24/9	4.5
Keppell (25p) Fin	2.09	2/10	2.93
Phillips Patent (25p) Int	0.62	1/10	1.67
Colgate (25p) Int	1.3	3/10	2.41

## Gillett Bros hat trick of news spurs the shares

A bullish half yearly statement, a more than doubled interim dividend and a promise of the restoration of the total payment to the 1973 level came from Gillett Brothers Discount. The shares duly rose 15p to close at 140p.

As is the usual policy the board discloses no figures, but it does say that for the first half year to end-July group profits are higher than in the comparable period of the year before. But no prediction can be made.

Barring a severe winter, half-tens plan (the Government allowance) to restore the group's total dividend to its 1973 level of 20p.

In 1973-74 the group ran up a disclosed loss of close on £2m and cut the total dividend to 6p. Last year the group swung back to profit and the disclosed figure was £912,000 after contingencies. The total dividend was 10p.

Insurance to cease taking on new business in the United Kingdom.

Argonaut, which entered the United Kingdom market in 1970, has never established an office over here and it is thought unlikely that it has any United Kingdom policyholders. Premium income from Britain in 1974 amounted to only \$62,887. This compares with the worldwide premium income of its parent, a subsidiary of Tele-dyne Inc. of \$142m.

months of the year of £57.3m compared with £22.2m for the whole of 1974. During this period it lent £7.2m to home buyers which is more than the entire 1974 lending programme of £74.5m.

The first accounting period of Linford Holdings—formed by the merger of Associated Food Holdings and Thomas tax profit of £22.2m on sales of £163,000. The accounting period ended on April 26.

The profit is in line with the forecast made with the recent results issue.

A special interim dividend of 6p net is declared in lieu of a final, and is payable on September 1.

group, are keeping up well. Sir Hugh Greene, chairman, says in his annual report that the total volume of beer barrellage rose 8 per cent last year with the main growth coming in draught beers.

The group has paid for its two major capital schemes which are connected with production—so capital spending can be reduced without sacrificing adequate investment for growth.

Customagic doubles its dividend

The average of Customagic Manufacturing has been doubled to 10p. The first-half recovery has continued and the group ended the year to April 30 with a pre-tax profit of £306,000, against £63,000. Turnover declined from £39.9m to £39.1m.

Second-half profits jumped from £2,000 to £181,000.

Group properties have been professionally revalued at £1m.

For the first half the share loss was \$1.34 (loss of 80c) and a net loss of \$55.0m (loss of \$32.8m).—Reuter.

Cavenham in French tie-up

Generale Alimentaire, French offshoot of Cavenham, and state-owned corporation, Entreprise Minière et Chimique (EMC) are considering the formation of a partnership covering the production and sale of animal food stuff in France and in Belgium. As a result EMC would acquire 50 per cent of the capital of Cavenham's subsidiary, Sanders SA, a leading producer of animal foods. EMC is a leading producer of basic raw material for agricultural use, including phosphates and urea derivatives.

## Tough year for ECC but group well placed

English Card Clothing has moved into a tougher year in fine fettle. Chairman Mr Simon Rothery tells shareholders in his review with the accounts for the year to March 31 that the year's books are shorter. But he was sure that the group will gain a reasonable share of business available.

In the past year ECC all but record £2.85m after near-trebling at half time. But tax remained at 61 per cent of pre-tax profits. Most of the weighting of India which contributed 36 per cent of after tax profits.

The chairman points out that the bigger dividend of 33p a share gross is covered nearly eight times by earnings, or five times by non-Indian earnings. He explains the group's need for money in an age of inflation, and points to other countries' exchange and dividend controls. The directors are aware that the pre-tax payment is only 89 per cent of the 15 per cent paid before 1962.

Looking back, the chairman reports that the United Kingdom, the Continent and India showed almost the same rates of growth after tax. Last year the group's textile customers accounted for about 10 per cent of total sales, split fairly equally between cottons and woolsens. But as the group has other products and markets, the downturn in activity among United Kingdom customers can be partly counterbalanced.

## INTERIM STATEMENTS

## Gillett Brothers Discount Company Limited

Co. Ltd. have declared a dividend payable on 22nd August 1975 of 4.875% (1974—1.675%) on the ordinary share capital of the company. This is equivalent to a gross dividend of 7 1/2% (1974—2 1/2%).

Group profits for the first half year are higher than those for the corresponding period last year. No prediction can be made of the prospects for the second half year in view of the uncertainty of the economic outlook. In the absence of any set-back it would be the intention of the board, subject to any possible statutory restriction, to restore the dividend for the year to its 1973 level.

The company is not a close company under the Income and Corporation Taxes Act 1970.

## GALLAHER

Statement by the Chairman, Mr. A. W. H. Stewart-Moore, and Interim Report for the six months ended 30th June, 1975

Group sales for the first half of 1975 at £425 million were nearly 32% up on the first half of 1974. Cigarette turnover was up 144% because of price and duty increases, but quantity sales are down, particularly in the King Size sector. Group Trading profit before interest, taxation and minority interests is slightly down on last year and has been sustained by the increasing share contributed by our Engineering, Optical and Distributive Trade divisions. Trading profits before interest and taxation from the non tobacco divisions are up by over 40% on last year.

The unaudited results of the Group for the first half of the year compared with the first half of 1974 and the audited results for the whole of 1974 are as follows:—

(All figures in £ millions)	1975 3 months to 30 June	1975 6 months to 30 June	1974 3 months to 30 June	1974 6 months to 30 June	Year to 31 December
GALLAHER LIMITED AND SUBSIDIARY COMPANIES					
GROUP SALES (Note 1)					
Tobacco	173.5	332.0	144.6	267.7	584.1
Engineering	12.1	21.5	8.1	15.2	35.0
Distribution	3.9	66.9	20.1	32.7	78.7
Optical	5.4	10.4	3.5	6.7	16.2
	223.9	424.8	176.3	322.3	724.0
GROUP TRADING PROFIT, before interest					
Tobacco	6.6	14.1	7.0	14.5	29.5
Engineering	1.8	2.9	1.4	2.0	5.0
Distribution	0.6	1.3	0.8	0.9	2.0
Optical	0.8	1.7	0.6	1.3	2.8
	9.8	20.0	9.8	18.7	39.3
INTEREST CHARGES	2.0	3.8	1.3	2.4	5.8
GROUP PROFIT, before taxation	7.8	16.2	8.5	16.3	33.5
TAXATION (Note 2)	4.0	8.3	4.3	8.2	17.1
MINORITY INTERESTS	0.1	0.1	0.2	0.2	0.3
GROUP PROFIT, before extraordinary items, net of taxation	3.7	7.8	4.0	7.9	16.1
GROUP NET PROFIT	3.7	7.8	4.0	10.8	17.7
Depreciation charged in arriving at trading profit	2.2	4.3	1.8	3.5	7.2

NOTES:  
1. Group Sales  
Sales exclude V.A.T. or its equivalent. The comparison for sales of tobacco products has been largely affected by the very substantial duty increases included in sales from April 1974 and May 1975.

2. Taxation  
—U.K. Corporation Tax has been based on a rate of 52%.

## Leicester growth

Assets of the Leicester Building Society have risen by 20 per cent in the last 12 months to £716.2m with a net investment intake during the first six

months of the year of £57.3m compared with £22.2m for the whole of 1974. During this period it lent £7.2m to home buyers which is more than the entire 1974 lending programme of £74.5m.

## Business appointments

## Lord Kearton retires from Courtaulds board

Lord Kearton, at his own request, retired yesterday from the board of Courtaulds. He is succeeded as chairman by Sir Arthur Knight.

Mr J. L. Ellis has been appointed an executive director of Arthur Guinness Son.

Mr F. Harfield and Mr R. F. Heath have been elected directors of Wadhwan Stringer.

Mr Robert Hunter, vice-president and general manager of the London branch of Texas Commerce Bank, has been promoted to senior vice-president. Mr M. Robert Dussler, Jr. has been made vice-president and assistant general manager.

Mr William Crawford becomes chairman of Amalgamated Quarries (Scotland).

Mr A. J. Steeds, deputy general manager and secretary of Mercantile and General Insurance Co. Ltd., will retire on December 31. Mr J. Hamilton-Jones will be appointed secretary with effect from January 1. He will continue as assistant general manager responsible for the life division.

Mr B. C. Hill, chairman of Turner & Newall subsidiary Ferodo, has been appointed a non-executive director of Engineering Components, and Mr R. P. Gower, chairman of Engineering Components, a non-executive director of Ferodo. Mr D. W. Hills, chairman of subsidiary TBA Industrial Products, has been made a non-executive director of Ferodo.

Mr George Cooper, managing director of Thames Television, has been made chairman of the Network Programme Committee of Independent Television in succession to Mr Robert Gwynell, joint managing director of ATV Network. Mr Paul Fox, joint managing director, Trident TV, becomes deputy chairman of the NPC in succession to Mr Cropper.

Mr Michael Broadhead has been made a director of Express Products—the butter and cheese division of Express Dairy Foods. He was previously director of Eden Vale. Mr Christopher Nelson takes over as Eden Vale director in charge of sales and marketing of short life products.

Mr A. R. Zambra, Mr N. Hux and Mr R. N. Dunn have joined the board of Clark and Peen (Holdings).

Mr T. S. Sweeney, secretary, has become a director of Banque Belge together with Mr W. Arm-

strong, who is joining the bank as general manager to replace Mr J. M. Iwlen. Dr Beckhott, who is returning to Belgium to take up an appointment with Société Générale de Banque.

Mr C. J. Haimes has joined the board of Odeon Rascans. Mr E. Cullingworth has retired.

Mr J. R. (Bert) James has become commercial director of Coventry Gauge.

Mr Colin Matthews and Mr Derek Butler have been made directors of D. W. Parkin Construction.

Mr Paul Murphy has been made managing director of Candy Domestic Appliances.

The following will take over on October 1 as chairmen of the four divisions of the Institution of Mechanical Engineers: control and automation, Professor J. L. Douce; electronics, Mr J. L. Davies; power, Mr M. N. John; and science, education and management, Mr R. T. Thompson.

Since the retirement from the board of Mr Arthur Hopkins, deputy managing director, Mr Bryce Coe has been made joint managing director of Major Advertising Group. He will continue as managing director of Major Public Relations.

Four new directors have been named for the Moseley Rubber Company. They are: Mr Peter Kelly, Mr Harry Pinchin, Mr Len Dunt and Mr Harry Carr. Mr Harry Carr has been made company secretary.

Mr Norman Staff has been elected chairman of the reconstituted Midway Paris Automobile.

Mr John Buxton, formerly Harwick divisional manager of Carless, has joined the board of American Association Ltd. Mr Clement becomes chairman.

Mr Henry Keswick joins the board of Robert Fleming Holdings. Mr Edward Newman has been appointed TTT senior treasurer in the United Kingdom. He remains treasurer for Standard Telephones and Cables.

Mr John Chambers and Mr Frank Leach have been appointed to the board of British Lion Films.

Mr John South, member for finance, British Gas Corporation, has joined the committee of management of the Pension Fund Property Unit Trust.

Greene King going well

So far this year, sales of beer at Greene King & Sons, the Bury St Edmunds-based brewing

group, are keeping up well. Sir Hugh Greene, chairman, says in his annual report that the total volume of beer barrellage rose 8 per cent last year with the main growth coming in draught beers.

The group has paid for its two major capital schemes which are connected with production—so capital spending can be reduced without sacrificing adequate investment for growth.

Customagic doubles its dividend

The average of Customagic Manufacturing has been doubled to 10p. The first-half recovery has continued and the group ended the year to April 30 with a pre-tax profit of £306,000, against £63,000. Turnover declined from £39.9m to £39.1m.

Second-half profits jumped from £2,000 to £181,000.

Group properties have been professionally revalued at £1m.

Rhodesian Corp dips

After United Kingdom operations losses of £54,000 against a profit of £31,000 and more than doubled administration and general expenses of £54,000 against £27,000, the half year pretax profit of Rhodesian Corporation shows a decline from £256,000 to £200,000. Tax takes £101,000 against £120,000, leaving the net balance showing a fall from £136,000 to £99,000. The board say they expect the full year's profits will be satisfactory but lower than last year's record £394,000.

Harrisons & Crosfield

Mr J. F. E. Gilchrist, chairman of Harrisons & Crosfield, told the annual meeting of the group yesterday that it was running well in the current year but at a slower rate than in 1974 when the group ended with a pretax profit of £19.57m, more than doubled from £9.7m. In his annual report he said that somewhat reduced profits could be expected. Given fair conditions the group would resume the strong upward progress of the past decade.

Dorman Smith brighter

Shareholders of Dorman Smith Holdings were told at the annual meeting that, after three months of the present period, orders dispatched were 37 per cent up on the same period. Those received rose 25 per cent and retained "adequate" to maintain a higher rate of output than last year's. Since year-end, liquidity had improved by a further £877,000 at end-June.

Pan Am link-up

A Pan American World Airways Inc. spokesman said in New York that merger talks with Eastern Air Lines are dormant, but a possible merger with American Airlines is still being considered.

Pan Am's second quarter shows a profit per share of 10 cents against a loss of 21c, and a net profit of \$4.0m (loss of \$4.0m).

Guthrie denial on 'rights'

Yesterday's annual meeting of Guthrie Corporation heard that there is no truth in speculation that the company is planning a rights issue. Sir Eric Griffith-Jones, the chairman, said that borrowings are well within the limits.

As for the dividend, he continued that the board will continue to give shareholders' interests due priority when formulating its distribution policy.

The past year has been extremely difficult in most of the group's businesses, but there were signs that companies in other parts of the world were

emerging from the tunnel. However, in the United Kingdom the picture was less encouraging.

An upturn in world trade would have a marked effect on group profitability in 1975, but he fears that the group will continue to bear the burden of high tax rates until it can generate big enough United Kingdom profits to relieve Advanced Corporation Tax.

Sir Eric is confident that the group can take any opportunities that present themselves in the near future and move on to better operating conditions thereafter.

Astra beat forecast

Helped by a more reasonable return on engineering turnover, pre-tax profits of Astra Securities, the Midlands-based steel and engineering group, improved by 44 per cent from £375,000 to £549,000 in the year to April 30 after being ahead from £165,000 to £253,000 at the six-month stage when the board estimated an increase of 22 per cent for the full year. Turnover increased from £5m to a record £7.2m and earnings a share rose from 2.79p to 3.87p. A final dividend of 0.5p provides a total of 0.87p. A further 1-for-4 scrip is proposed and the board say they expect to maintain the dividend on the increased capital.

ESTATES & GEN INV

EGM adjourned from July 15 will be held on July 30. On merger with County & Suburban Holdings, chairman says, the companies traded profitably in first half year.

RORELLI TEA

Pre-tax profit for 1974, £156,000 (£75,000), on turnover of £851,000 (£641,000). Dividend is 5.78p, against 5.25p.

PERKINS PATENTS (HLDGS)

Turnover for year to March 1, £3.23m (£2.98m). Net loss is £69,000 (profit £80,000). Dividend is held at 1p.

SALT PEARL

Pre-tax profit for year to March 31, £249,000 (£241,500 for 15 months). Dividend is 0.95p, against 2.45p.

## Euroloan rates boost UIB

United International Bank, the London-based consortium bank, increased its profits by 40 per cent to £613,000 in the first half of this year.

Much of the increase arose from the better interest rate spread available on loans in the European currency markets. Until the middle of last year UIB was keeping a tight rein on its lending activity but with the revival in spreads it has resumed the expansion of its loan portfolio, which has risen from £58.4m to £72.3m over the year.

## DE BEERS CONSOLIDATED MINES LIMITED

(Incorporated in the Republic of South Africa)

PREFERENCE DIVIDEND NO. 132

Further to the dividend notice advertised in the press on 23.7.75, the following information is being made available to shareholders in respect of the proposed dividend of 11s 11d (equivalent to 64.1662p per share).

The effective rate of South African Rand to Sterling is 15 pence to the Rand.

For and on behalf of DE BEERS CONSOLIDATED MINES LIMITED, D. H. J. Fenton

London Office: 40, Holborn Viaduct, EC1A 1JL.

Office of the United Kingdom Transfer Secretaries: Charles Consolidated Limited, Charter House, Park Street, Ashford, Kent TN26 8EQ.

22nd July, 1975.







### BankBase Rates

Barclays Bank	91%
C. Hoare & Co.	91%
Lloyds Bank	91%
Midland Bank	91%
Nat Westminster	91%
Shenley Trust	111%
20th Century Bank	111%
Williams & Glyn's	91%

\* 7-day deposits on sums of £10,000 and under, 6% p.a. to £25,000, 6.5% p.a. over £25,000, 7% p.a.

## FINANCIAL NEWS

### McCorquodale's 2-for-7 'rights'

Two rights issue were announced yesterday to raise in total some £18m. McCorquodale & Co. proposes to raise about £13.5m by the issue of 1,120,000 ordinary shares at a price of 128p a share on the two-for-seven basis. In recent years total borrowings have increased significantly, particularly in the past two years. The new shares will rank for the proposed forecast final dividend of 8.75p.

Arrangements are also proposed for the issue of 700,000 10% preference shares at 100p each, which will enable buyers in America, Canada, Mexico, Brazil, Colombia and Venezuela to place orders in the United Kingdom.

The loan has been made available by National Westminster Bank to North Carolina National Bank, United States.

Additionally, Midland & International Bank announces a \$30m loan to Union Steamship of New Zealand. The loan is to help finance construction of two further roll-on/roll-off ship being built by Broken Hill Proprietary for trade between Australia and New Zealand.

### Issues & Loans

Leboff (Fobel) offer, about 92.5 per cent of the total have been taken up. Century Oils received acceptances for about 8.18 per cent.

Elsewhere Export Credits Guarantee Department has guaranteed a £1m loan line of credit which will enable buyers in America, Canada, Mexico, Brazil, Colombia and Venezuela to place orders in the United Kingdom.

The loan has been made available by National Westminster Bank to North Carolina National Bank, United States.

Additionally, Midland & International Bank announces a \$30m loan to Union Steamship of New Zealand. The loan is to help finance construction of two further roll-on/roll-off ship being built by Broken Hill Proprietary for trade between Australia and New Zealand.

### Authorized Units, Insurance & Offshore Funds

Unit Name	Price	Dividend	Yield
Abacus Asset Management Ltd	100	4.0	4.0%
Abacus Capital Ltd	100	4.0	4.0%
Abacus Growth Ltd	100	4.0	4.0%
Abacus Income Ltd	100	4.0	4.0%
Abacus Property Ltd	100	4.0	4.0%
Abacus Real Estate Ltd	100	4.0	4.0%
Abacus Securities Ltd	100	4.0	4.0%
Abacus Structured Ltd	100	4.0	4.0%
Abacus Trust Ltd	100	4.0	4.0%
Abacus Venture Ltd	100	4.0	4.0%
Abacus World Ltd	100	4.0	4.0%
Abacus Yield Ltd	100	4.0	4.0%
Abacus Zeta Ltd	100	4.0	4.0%
Abacus Alpha Ltd	100	4.0	4.0%
Abacus Beta Ltd	100	4.0	4.0%
Abacus Gamma Ltd	100	4.0	4.0%
Abacus Delta Ltd	100	4.0	4.0%
Abacus Epsilon Ltd	100	4.0	4.0%
Abacus Zeta Ltd	100	4.0	4.0%
Abacus Eta Ltd	100	4.0	4.0%
Abacus Theta Ltd	100	4.0	4.0%
Abacus Iota Ltd	100	4.0	4.0%
Abacus Kappa Ltd	100	4.0	4.0%
Abacus Lambda Ltd	100	4.0	4.0%
Abacus Mu Ltd	100	4.0	4.0%
Abacus Nu Ltd	100	4.0	4.0%
Abacus Xi Ltd	100	4.0	4.0%
Abacus Omicron Ltd	100	4.0	4.0%
Abacus Pi Ltd	100	4.0	4.0%
Abacus Rho Ltd	100	4.0	4.0%
Abacus Sigma Ltd	100	4.0	4.0%
Abacus Tau Ltd	100	4.0	4.0%
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# HIGH & DRY

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§ Forward bargains are permitted on two previous days.

\* Ex dividend, a Ex all, b Forecast dividend, c Correct price, d Interim payment passed, e Price at suspension, f Dividend and yield exclude a special payment, g Bid company, h Pre-merger figures, i Forecast earnings, j Capital distribution, k Ex rights, l Ex scrip or share split, m Tax free, n Price adjusted for late dealings. .. significant data.

**THE TIMES SHARE INDICES**

The Times Share Indices for 23.07.75 (base date June 2, 1964 original base date June 2, 1959) —

	No.	Yield	inc.	No.
	Latent	%	Yield	Previous
		%	%	
The Times Indus-				
trial Share Index	124.75	7.82	15.32	127.09
Largest Cos.	124.73	7.53	14.67	126.46
Smaller Cos.	124.61	8.15	17.47	127.14

Consumer Goods	199.50	1.74	20.09	199.57
Store Shares	108.89	9.65	8.82	109.27
Largest financial shares	161.53	6.01	—	166.17
Largest financial and industrial shares	131.74	7.24	—	134.56

Gold Mining Shares	590.85	5.35	8.38	547.34
Industrial debtenture stocks	77.14	8.05	—	77.39
Industrial preference stocks	51.47	14.13	—	51.61

	High	Low
All-time	192.47 (15.08.72)	60.15 (12.12.74)
1975	150.16 (05.06.75)	61.42 (06.01.75)
1974	126.26 (26.07.74)	60.15 (12.12.74)

1972	208.77	174.88	72.5	174.88	110.01	72.5
1971	174.77	132.71	42.06	132.71	102.03	30.68
1970	145.78	114.01	31.77	110.77	92.95	17.82

\* Flat interest yield.











